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Automotive News

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GM hikes realty ties to dealers

Per-car rent plans grow in big cities

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors is planning to increase its innovative dealership real estate activity, whereby it charges dealers rent based on how many cars and trucks they sell.

GM wants to keep points open in high-rent locations and to soften the staggering impact of rent on dealership operations in those areas.

Those motives are prompting GM to undertake increasingly complex real estate deals, as it did in the recently completed acquisition of Potamkin Cadillac/Manhattan by the Roger Penske organization.

"It's a rifle shot at a situation where the cost of real estate is overwhelming and we have a chance to help the dealer and ourselves," said John R. Rines, general manager of GM's Motors Holding Division.

He said the current round of complex lease arrangements should not be viewed as subsidies. "We are absorbing costs that a retail dealer can't pay out of his profit margin, because we want to be represented in that area," he said.

Rines said the per-car rent payments are structured to make a dealer's real estate costs "an average rent equivalent," not to give him a competitive advantage.

"We can give a new guy a break," he said.

"We can also incentivize a guy quite well where we want to move a lot of cars," Rines said. "For example, we can make the rent $500 per car for the first 1,000 cars sold.

see REAL ESTATE, page 39

	1986 Sales ($ millions)	Units	Avg. Pr. per unit
Florida Auto Auction of Orlando*	$513.0	56,000	$9,100
NADE*	$395.0	77,000	$5,100
Clanton's Auto Auction	$387.0	51,500	$7,500
California Auto Dealers Exchange*	$385.0	78,000	$4,900
Southern California Auto Auction	$302.0	52,000	$5,800
Southern Auto Auction	$300.0	58,000	$5,100
Columbus Fair Auto Auction	$300.0	44,000	$6,800
Auto Dealers Exchange	$279.0	62,000	$4,500
APTCO Auto Auction	$274.7	36,500	$7,500
Dallas Auto Auction	$262.8	36,000	$7,300

All numbers approximate
* These auctions provided only gross sales; their units and average prices estimated by Automotive News

LANCE GRAVES

AUCTIONS: *They're big, growing business; sales were $20.4 billion in 1986*

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Auto auctions are big business — an estimated $20.4 billion in 1986 — and any of the nation's 10 biggest auction houses last year could have competed in unit volume with the European luxury-car importers.

Combined, the 10 biggest auctions sold roughly 545,000 used cars and trucks last year — more than Cadillac, American Motors-Jeep or any of the new-car importers except Honda, Toyota and Nissan.

The gross sales of the top 10 amounted to $3.4 billion, and they expect this year's sales to surpass that total.

Industry sources pegged overall sales at all auctions at about 4 million vehicles last year, making it a $20.4 billion business. Auctions in 1986 sold between 47 and 52 percent of cars consigned by dealers, industry sources said.

This year is shaping up as another stellar year, with industrywide sales approaching 4.5 million cars and trucks, said officials of the wholesaling giant, Anglo American Auto Auctions.

And sales in 1988 are expected to leapfrog another 500,000 cars and trucks to 5 million, Anglo officials predict.

Bernie Hart executive secretary of the 187-member National Auto Auction Association, said exact sales numbers are difficult to estimate because there is no reporting center for auctions.

But he agreed that car and truck sales will top 4 million units this year.

The average price of used cars and trucks sold at the top 10 auctions last year ranged from a high of $9,160 at the Florida Auto Auction of Orlando to an estimated low of $4,500 at the Auto Dealers Exchange, Indianapolis.

Auctions like Florida Auto Auction of Orlando sell a high volume of newer, low-mileage, fleet and lease cars, which bring high prices and push up their gross dollar sales.

Figures are based on information provided to Automotive News by the auctions or parent companies. Some declined to release volume of cars sold. In those instances, sales volumes were estimated based on gross dollar sales that were provided and the average 1986 auction sale price nationwide of $5,100.

Florida Auto Auction of Orlando, Ocoee, Fla., was the titan of car auctions in 1986, followed by: NADE, Bordentown, N.J.; Clanton's Auto Auction, Darlington, S.C.; California Auto Dealers Exchange, Anaheim, Calif.; Southern California Auto Auction, Fontana, Calif.; Southern Auto Auction, East Windsor, Conn.; Columbus Fair Auto Auction, Columbus, Ohio; Auto Dealers Exchange, Indianapolis; APTCO Auto Auction, Taylor, Mich.; and Dallas Auto Auction, Grand Prairie, Texas.

Southern Auto Auction, Columbus Fair Auto

see AUCTIONS, page 55

Stock crash cools maker trade stand

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Big 3 domestic car companies seem to be shying away from tough trade reform legislation in the wake of the stock market collapse last month.

Prior to the 508-point drop in the Dow Jones Industrial Average on Oct. 19, Ford Motor Co. and Chrysler Corp. were especially active in lobbying for trade reforms that would force reductions in the U.S. trade deficit.

General Motors has been far less enthusiastic about trade reform, but had been gradually shifting its position toward greater concern for the nation's trade indebtedness.

Now, spokesmen for Chrysler — pleased with trade changes wrought by the weakening of the dollar — are saying that events seem to have overtaken the trade reform bill.

Ford declined to discuss the trade situation at all last week, while GM is continuing to pursue a moderate course.

All three companies are expressing support for the tentative agreement reached between the White House and Congress to reduce the federal budget deficit. The accord would reduce the nation's debt by $76 billion over two years. Tax hikes called for in the compromise have yet to be spelled out, however, and their potential impact on the auto industry is unknown.

The new quiet tone on trade reform may be partly due to concern over whether the Japanese government will continue voluntary restraints on car shipments.

Secretary of Commerce William Verity called on Japanese officials, asking them to maintain restraints on automobile exports to the United States for another year.

Although the Reagan administration has sought to eliminate the Japanese car quotas for several years, the White House also has been seeking peace with Detroit. Ford and Chrysler have been two of the most vigorous proponents of trade proposals opposed by President Reagan.

The carmakers' current attitudes toward a trade policy also may have been influenced by an announcement from the House Democratic leadership that trade reform will not be completed this year, even though experts place the

see TRADE, page 55

Anatomy of plant

Westmoreland closing holds a lesson for all transplants

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WESTMORELAND COUNTY, Pa. — Volkswagen's decision to close its U.S. assembly plant by the end of the 1988 model year demonstrates that foreign car companies are just as vulnerable as domestic makers.

Likewise, states that rushed headlong with incentives and tax breaks to get their own transplant have been jolted by the VW decision. Ten years from now, will they face a similar announcement?

see CLOSING, page 8

VW will close its U.S. plant by the end of the 1988 model year

Plans for future

Fuller ties comeback hopes to new cars, strong dealers

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Less than 48 hours before Volkswagen of America announced the impending end of car production at its Pennsylvania plant, the head of the company's U.S. sales arm set out to explain the difference between a U.S.-built and a German-built Volkswagen.

"The point of assembly of my cars is not important," James Fuller, vice president in charge of Volkswagen United States, said in an in-

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Ford sheds S. Africa holdings — Page 2
Chrysler adds trucks, will build fewer cars — Page 3
Chrysler's stake in TC totals $100 million — Page 4

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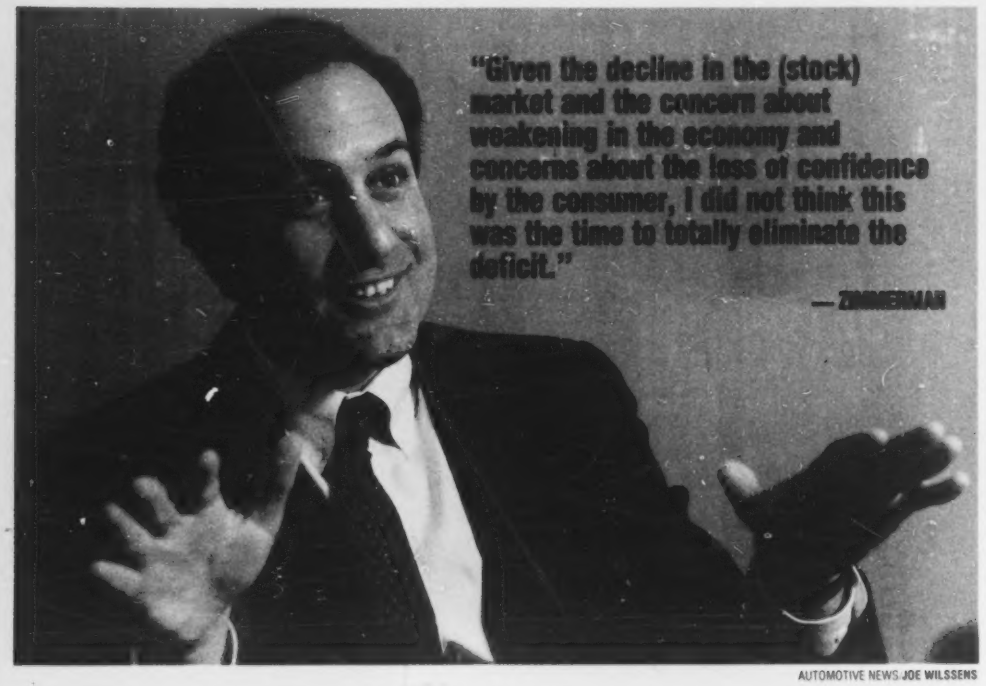
"Given the decline in the (stock) market and the concern about weakening in the economy and concerns about the loss of confidence by the consumer, I did not think this was the time to totally eliminate the deficit."
—ZIMMERMAN

AUTOMOTIVE NEWS JOE WILSSENS

'88 SALES: *Ford official sees 10 million; others aren't that optimistic*

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co.'s top economist believes the political deal worked out by the Reagan administration and Congress to trim the federal budget deficit will not hurt U.S. car sales.

The proposed cuts are not enough to slow the economy or auto sales, said Martin Zimmerman, Ford Motor Co. economics director and chief economist.

Zimmerman and Ford still believe that 1988 could be a 10 million car year in the United States.

Others are not so certain; they think car sales could come in as low as 9.0 million.

Domestic car sales may drop 5 percent to 10 percent to a level of 9 million to 9.5 million units — "more likely 9.5 million," said Chrysler Motors Chairman Gerald Greenwald. Chrysler expects truck sales to hold even or decline only slightly in 1988.

The lowest forecast to date may be from Robert I. Reich, president and chief executive officer of Marine Midland Automotive Financial Corp., who forecasts a 9.0 million car year.

But Zimmerman is more upbeat: "I had a fear they would go in and cut the deficit too much.

"Given the decline in the (stock) market and the concern about weakening in the economy and concerns about the loss of confidence by the consumer, I did not think this was the time to totally eliminate the deficit.

"But the $30 billion reduction is OK. It is not going to be too contractionary for the economy," he said.

"There's a certain element of smoke and mirrors in the package because the $30 billion includes some asset sales and one-time gains.

"So you really don't have $30 billion in long-term deficit reduction. What was important was the symbolism of the whole thing," he said.

Zimmerman, who doesn't expect a recession in 1988, believes the U.S. gross national product will grow at about a 2 percent rate next year, although he said Ford is continuing to closely watch developments.

Chrysler Motors expects the domestic industry to finish this calendar year with 10 million car sales and 4.9 million truck sales.

Greenwald described his 1988 sales forecast as "more a guess than a projection," due to economic uncertainty following the stock market's Black Monday. "Overall, 1988 is going to be tough. But based on what I see now, we're still pretty optimistic."

Marine Midland's forecast is the most conservative. Reich said the industry should expect calendar 1988 new-car sales of no more than 9.0 million units.

"You can't look at the next two years through rose-colored glasses," Reich said. "The fat time is over."

Meanwhile, economists at the University of Michigan said a recession is unlikely. But their latest forecast also said that the October stock market crash may have eliminated as much $10 billion in consumer spending from the final three months of 1987.

Staff Reporter Mary Connelly contributed to this report.

Old Glory may wave, but on a small scale, please

LAKELAND, Fla. — "Long may it wave" apparently should be measured in years, not feet.

T. Thomas Chevrolet-BMW violated a city code when a Marine color guard raised a 20- by 38-foot flag on a 100-foot flagpole on Veterans Day.

The code says the height of a flag cannot exceed a quarter of the pole's height. There is also a code limiting poles to a height of 75 feet.

Gene Strickland, Lakeland city manager, said the issue had turned into "a lot of motherhood and apple pie."

Monty Haskins, executive manager of the dealership, said it was a "misunderstanding."

A nearby dealership, Blount Acura, also is violating the code. A public hearing is scheduled for next week, but Strickland said the council is divided. He said a couple members don't care "as long as it's an American flag."

Chrysler adds trucks, will build fewer cars

By Michelle Krebs and Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Chrysler Motors plans to make fewer cars and more trucks in the first quarter of 1988 than in the first quarter of 1987.

Chrysler's total first-quarter vehicle production will be up 8,000 units over the same period this year. Chrysler's truck output is scheduled to increase 14 percent over this year's first quarter while car production is expected to drop 8 percent.

Chrysler plans to build 575,000 cars and trucks in the United States and Canada in the first quarter, compared with 567,236 in this year's first quarter.

Truck output is projected at 275,000 units in the first three months of 1988, vs. 241,034 built in the same period of 1987.

Car output is scheduled at about 300,000 units, compared with 326,202 in this year's first quarter. The reduction will be accomplished by temporarily closing three U.S. plants and one Canadian plant and trimming line rates at some plants.

To keep production in line with softening sales in some lines, Chrysler Motors Chairman Gerald Greenwald said the company will temporarily close the following plants on Jan. 4: Jefferson Avenue, Detroit, for one week, affecting 3,300 workers; Pillette Road, Windsor, Ontario, for one week, affecting 1,800 employees; Newark, Del., for two weeks, idling 1,800 workers; and St. Louis (No. 1) for three weeks, idling 3,300 workers.

Greenwald also announced production adjustments at three other plants for indefinite periods. On Jan. 11, the Jefferson Avenue plant will reduce its daily output by 20 percent, idling 600 workers. On Jan. 18, daily output at Newark will be cut by 50 percent, affecting approximately 1,700 workers. On Jan. 25, a 19 percent decrease in the daily production will take effect at the St. Louis (No. 1) plant, affecting about 600 employees.

Chrysler plans to increase production rates at three other plants. Greenwald said that on Jan. 4, daily output at the St. Louis (No. 2) plant will jump 15 percent. Also effective Jan. 4, daily output at the Brampton, Ontario, facility will be increased by 15 percent. Chrysler will add a second shift to its Belvidere, Ill., plant on Jan. 11, adding about 1,300 workers.

Also in January, Chrysler plans to increase production at its Toledo Jeep plant by 12 percent.

Meanwhile, General Motors has reduced its projections for U.S. car production for this quarter and the first quarter of 1988 to reflect its recent scheduling adjustments at eight assembly plants.

Present plans call for GM to to build 849,649 cars in the fourth quarter. That is 35,457 fewer than GM previously planned to build (Automotive News Nov. 9). It represents a 15 percent decrease from the 976,803 cars GM built in the fourth quarter of 1986.

GM plans to build 858,385 cars next quarter, which is a 29,825-unit reduction from its previous schedule (Automotive News Nov. 23). GM expects to build 16 percent fewer cars in the first quarter of 1988 than the 1,024,666 cars it built in this year's first quarter.

GM's revised figures bring the Big 3's estimated U.S. car production in the fourth quarter to 1,609,273, down 7 percent from the 1,724,654 cars they built in the fourth quarter of 1986.

In the first three months of next year, the Big 3 now plan to build 1,600,750 cars, down 15 percent from the 1,874,510 they built in this year's first quarter.

GM's revised figures reflect the previously announced scheduling adjustments at eight of its assembly plants. The adjustments will be achieved through reductions in line speeds, extensions of Christmas vacations and temporary as well as permanent closings.

Plants in Pontiac, Mich., and Detroit will close permanently by year-end. The Framingham, Mass., plant closed for an indefinite period beginning this week (Nov. 30).

Christmas vacation will be extended at three plants with two — the Fiero plant in Pontiac, Mich., and a plant in Lansing, Mich. — returning from the extended leave with a reduced line rate. The line rate at the Corvette plant in Bowling Green, Ky., also will be reduced.

Chrysler's fourth quarter production schedule for U.S. car output remains unchanged. Chrysler plans to build 287,000 cars in the fourth quarter, down 8 percent from the 310,715 built in the year-ago quarter.

Ford has not changed its fourth-quarter production schedule of 472,624 cars, which is 8 percent higher than last year's 437,136.

However, Ford is expected to revise upward its present schedule for first-quarter production. At present, Ford plans to build 448,000 cars in the 1988 first quarter, but at least 30,000 units are likely to be added to that schedule. Ford produced 534,209 cars in this year's first quarter.

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Mid-November car sales pick up steam

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Mid-November sales of U.S.-built cars could not match last year's Nov. 11-20 period, but deliveries were higher and cars were selling at a stronger daily rate than in the first 10 days of November this year.

Toyota reported a sales gain for the 10-day period, and Chrysler Division cars improved their performance from a year ago by 35.76 percent.

Sales for the 10-day period totaled 172,552, a drop of 12.03 percent from 196,159 for the equivalent period last year. The daily selling rate was 19,172 compared with 21,795 a year ago. Both periods had nine selling days.

Domestic-car sales rose by 33,633 units from the first 10 days of November. The mid-November daily selling rate was 10.41 percent stronger than the early-November rate of 17,364.86.

In mid-November this year, the Big 3 U.S. automakers reported sales downturns of 1.61 percent to 17.98 percent from the 1986 period. Ford Motor Co.'s sales slipped 889 units or 1.61 percent to 54,442 units.

Chrysler's 10-day sales dropped 7.69 percent, although sales of Chrysler-badged cars totaled 8,197 compared with 6,038 for the equivalent period last year. Introduction of the New Yorker and New Yorker Landau helped. Sales of the LeBaron convertible also improved.

General Motors sold 80,628 cars, off 17.98 percent from the comparable period a year ago.

Toyota reported a 98.03 percent increase in deliveries of U.S.-built cars. Nissan delivered 47.54 percent fewer cars than it did last year, and Volkswagen sales dropped 29.25 percent.

Honda's sales declined 22.18 percent for the period. Mazda sold 163 U.S.-built cars produced at the Flat Rock, Mich. plant.

DOMESTIC SALES

	Nov. 11-20, 1987	Nov. 11-20, 1986
Eagle	671	1,120
Chrysler	8,197	6,038
Plymouth	7,786	9,644
Dodge	9,830	11,887
Chrysler Motors	26,484	28,689
Ford	38,049	37,250
Mercury	11,687	11,876
Lincoln	4,706	6,205
Ford Motor Co.	54,442	55,331
Buick	12,915	14,203
Cadillac	6,489	7,816
Chevrolet	29,422	37,395
Oldsmobile	14,556	19,920
Pontiac	17,246	18,372
General Motors	80,628	98,306
Volkswagen	1,149	1,625
Honda	6,676	8,579
Nissan	1,505	2,869
Toyota	1,505	760
Mazda	163	—
U.S. Industry Total	172,552	196,159

September RV shipments up 11%

Van converters praise Ford for consignment-pool support

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Wholesale RV shipments continued their late-season surge in September.

RV manufacturers shipped 33,400 units in September, up 11.3 percent over the year-ago month, according to the Recreation Vehicle Industry Association.

All major segments of the industry were up, with van conversions, the largest segment, showing a 3.4 percent increase on shipments of 15,300 units.

For nine months of calendar 1987, industry shipments of 313,500 were up 4.9 percent.

Van conversion shipments totaled 142,400 and were off 2.5 percent for nine months.

Detroit manufacturers shipped 26,700 vans with the seat-delete option to converters in September, up 115.3 percent from like 1986, portending a big future increase in shipments from converters to dealers.

Of those September shipments, full-sized vans accounted for 21,100 units, up 111.0 percent from a year earlier. Compact vans accounted for 5,600 shipments, up 133.3 percent from last year.

For nine months of this year, Detroit shipped 164,100 vans with the seat-delete option to converters, 33.5 percent more than in the comparable year-ago period.

Of the nine-month total, 133,400 were full-sized units, up 34.5 percent from a year ago. Compact vans accounted for 30,700 units, up 29.5 percent from last year.

Elkhart, Ind., converters cited the encouragement Ford has given its dealers to work with its consignment pool accounts, rather than with outside converters.

They feel that if their industry is to survive — staving off potentially disastrous lawsuits involving products not built to Detroit or RVIA standards by non-pool companies — original-equipment manufacturers will have to provide more encouragement to dealers.

Converters point out that channeling products through pools allows manufacturers and dealers to retain control of the quality and distribution of their products from production right through to their ultimate sale to retail customers.

Dealers, too, retain all the normal benefits of dealing with the factory. They still get their sales cards, holdback and any privileges on incentive programs.

If the product is distributed through any other channel, Detroit manufacturers lose control over the quality of the work that goes into it and over its distribution through wholesale and retail channels.

Also, because of the large number of units ordered by dealers and sold to non-pool accounts, manufacturers really don't know how big the total field inventory of converted vans is, even though they sometimes think they do, converters point out.

Often, non-pool units end up on non-franchised-dealer or used-car lots with factories losing total control over them.

Converters singled out Ford's efforts because its success in encouraging its dealers to work more with consignment pool companies has generated a record volume of business for them, for Ford and for its dealers this year.

Ford has run a record number of units through its consignment pool system, converters say.

Its retail sales of consignment pool vehicles were up by 1,000 units at the end of September, and its dealer inventories of consignment pool vehicles were also at a record level, according to industry sources.

Recreational Vehicle Wholesale Deliveries

	September 1987	September 1986	% change	9 months 1987	9 months 1986	% change
Travel trailers - conventional	4,500	4,100	+ 9.8	48,500	44,700	+ 8.5
Park trailers	600	500	+20.0	4,800	5,600	−14.3
Travel trailers - fifth wheel	2,400	2,000	+20.0	20,400	17,600	+15.9
Folding camping trailers	3,400	2,600	+30.8	32,100	27,600	+16.3
Truck campers	900	500	+80.0	8,200	5,800	+41.4
Towable RV total	11,800	9,700	+21.7	114,000	101,300	+12.5
Conventional (type A)	3,600	2,600	+38.5	30,600	24,800	+23.4
Van Campers (type B)	700	600	+16.7	5,200	4,700	+10.6
Chopped vans (all)	2,000	2,300	−13.0	21,300	22,000	− 3.2
Motor home total	6,300	5,500	+14.5	57,100	51,500	+10.9
Van conversions	15,300	14,800	+ 3.4	142,400	146,100	− 2.5
TOTAL ALL RVs	33,400	30,000	+11.3	313,500	298,900	+ 4.9

Source: Recreation Vehicle Industry Association.

Converter group has program for warranty work

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

The National Van Conversion Association, Greenfield, Ind., has had its ups and downs, but it feels its latest comeback may be permanent.

Twenty-three companies are enrolled in the association's certification program. Officials say another 50 or so are in various stages of being certified.

The association seems to be concentrating a lot of its recruiting efforts in new conversion locales like Georgia.

Fourteen of the 23 companies enrolled in its program are from that state, including Zimmer Motor Homes, Cordele; Quail Creek Custom Vans, Lavonia; and Executive Traveler, Athens.

The association claims membership of about 200 companies at present, including a number of suppliers.

One of its more interesting new projects is a warranty program that would allow converters to service each others' vehicles.

Converters are frequently better equipped than dealerships to repair the upfitted portion of a van, since they are more familiar with how the vehicle was put together, said Doug Cole, an association official.

A national program allowing different converters to work on each others' vehicles also would help counteract lemon laws, which specify that, after three attempts at repairing a vehicle, a dealer or manufacturer has to buy it back.

Such a program, as envisioned by the association, would attempt to standardize flat rates for different kinds of conversion repairs. Currently, there are no such rates in the industry.

Under the association's program, dealers would have the option of using a converter in their area to repair a van, becoming middlemen between the converter who built the vehicle and the one repairing the unit.

The association also is trying to help coordinate various regional shows, like the recent Georgia show.

OPPORTUNITY

Ford doesn't plan to build a Suburban so market is wide open for converters

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. sources indicate the company has no plans to build a vehicle like General Motors' Suburban — leaving that market niche wide open for converters.

Jerome Mittman, Ford RV and special vehicle sales manager, pointed out that the full-sized Bronco is still doing well with 49,000 sales in the 1987 model year.

He said he felt the limited sales potential of the Suburban market, worth about 73,700 sales to GM last year, didn't justify the cost of an all-new entry from Ford.

That is good news for Magnum Motor Coach, Sturgis, Mich., and Centurion Vehicles, White Pigeon, Mich. (Automotive News Oct. 9). They are among the few doing such conversions.

Magnum entered the market earlier this year, with a Metropolitan model. It offers a four-door Suburban-style luxury vehicle in half-ton, three-quarter-ton and one-ton configurations on Ford F-150, F-250 and F-350 chassis and a four-door Bronco on Ford's U-150 chassis.

The luxury interiors are designed to provide seating for five to eight passengers. The vehicle is made up of all Ford parts.

The Metropolitan package includes such standards as high-back captain's chairs, floor console between the driver and passenger seats, overhead console with indirect lighting, "Bronco" style rear tailgate with power window and rear removable fiberglass top.

In 1986, Magnum converted about 180 vehicles of all types, according to T.W. Holt, vice president of marketing.

Magnum and Centurion market units exclusively through Ford dealers. Their biggest concern is having prices close enough to the Chevy Suburban to keep them competitive.

As Robert Froschauer, president of Centurion, pointed out, "We can't afford to be much more than $1,000 to $1,500 over Suburban. After that, brand loyalty goes out the window" and a customer becomes more inclined to buy the GM product.

Depending on whether the vehicles have two-wheel drive or four-wheel drive, prices for its F-350 crew-cab-based model are expected to be about $22,000 to $23,000 wholesale.

Holt said his company's products should be compared to a customized, rather than a factory, Suburban ur.

Magnum's wholesale prices range from $17,700 for a stripped version of the F-150-based Metropolitan to $23,000 for a loaded version. Other prices range from $18,000 to $25,000 for the F-250-based vehicle to $20,000 to $25,000 for the F-350 and $21,000 to $25,000 for the four-door Bronco.

Holt said that customized Suburbans typically wholesale for about $22,500 to $26,000.

Magnum's biggest market, as might be expected, is in Texas and the Southwest. It has delivered about 35 Metropolitans so far this year and expects to ship about 350 next year.

Denver Ford deal taps van-conversion field

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Competition in the van conversion business comes in many shapes and sizes — sometimes, even from customers.

Freedom Wheels, Northglenn, Colo., is a van customizing firm founded by Ford dealer Brian O'Meara in 1972. It now distributes its vans through 30 other dealerships as well as its own O'Meara Ford Center in Denver.

O'Meara's van conversion business increased about 20 percent last year as a result of getting a Dodge pool account, solidifying its dealer network and increasing its sales of vans for the handicapped.

Freedom Wheels is producing about 600 van conversions a year. It also does quite a number of pickups which, O'Meara said, are almost as popular as the vans in the West. And it is one of those rare auto dealerships that sells and services regular RVs, like Class A and C motor homes, as well.

RV servicing is handled by the van conversion company in a separate facility.

O'Meara said he got into producing vans for handicapped individuals quite by accident. He hired a handicapped Vietnam veteran who suggested it as "a tremendous market no one was catering to."

The veteran subsequently helped develop the business through contacts he had established while working for a newspaper for the handicapped.

Based on surveys by the National Center for Health Statistics, there are 450,000 to 500,000 people confined to wheelchairs, O'Meara said.

The annual replacement market on wheelchair van conversions is over 70,000 units. Each year, 8,000 new people enter this rapidly growing market.

Along with the permanently impaired, there is an even greater number of people temporarily confined to wheelchairs. At any one time, that segment may amount to 12 percent to 13 percent of the population, O'Meara said.

It is estimated that the number of wheelchair users will increase as the average age of the population increases.

Using standard-size and mini Ford and Dodge chassis, Freedom Wheels installs a complete range of fully automatic and semi-automatic wheelchair lifts.

Other applications for the handicapped include dropped floors, raised roofs and doorways, power door openers and wheelchair restraint systems.

The company is approved by the Recreation Vehicle Industry Association, the Veterans Administration and several regional rehabilitation centers.

O'Meara noted, though, that the company's primary business is still regular conversions. Freedom Wheels offers a full line of van conversion packages, starting at $3,495, to dealers nationally.

Pickup isn't pretty, but it's a winner

ANADARKO, Okla. — Donna Settle's beat-up Chevrolet pickup truck was judged the ugliest by a panel of judges who picked the worst-looking vehicle during festivities in southwest Oklahoma.

Settle and her son, Jimmy, won a set of four new tires for bringing their rusty, dented machine to the contest. The only condition in the contest was that the pickup had to be drivable to participate in the Veterans' Day Parade.

Runnersup won truck boxes, sets of tools and seat covers.

"In France, they're proud of their old wine. Here, we're proud of our old pickups," said Devery Youngblood, project manager for Main Street Anadarko, part of a downtown redevelopment project.

"We've actually had arguments break out in businesses as to which one had the ugliest pickup. It's really a source of pride."

— The Associated Press

COVER STORY

Continued from cover page

DeWolfe's numbers include wholesale shipments of 210,000 RVs and 198,000 van conversions in calendar year 1987, and 214,000 and 180,000 of each, respectively, in 1988.

"My feeling is the stock market crash will not really affect the numbers very much. It may downgrade the sizes of units; there are likely to be more smaller-size motor homes sold, with fewer extras. But the numbers won't change appreciably," DeWolfe said.

Based on RVIA data, the analyst believes van-conversion growth has leveled off, but he cautions that this may be a reflection of incomplete sales reporting.

"It may be that van conversions aren't slowing down, but that RVIA is not getting all the figures. There may be an expansion in the number of people making van conversions, so that customers have other places to buy them *(besides RVIA member companies)*," DeWolfe said.

Incomplete reports or not, Detroit manufacturers also foresee 1988 as pretty much a repeat of this year's RV market.

Said Jerome J. Mittman, Ford RV and special-vehicle sales manager: "The van conversion market is softening a little right now, but it's no major concern. I suspect our shipments will be about the same as they've been."

Ford shipped 60,000 Econolines, with factory prep or seat-delete packages in the 1987 model year, plus some 5,000 Aerostars.

The company also shipped about 20,000 Class A and C chassis to motor-home manufacturers, according to industry estimates.

Ford hopes to add another 15,000 to 20,000 chassis shipments when it unveils a new Class A unit next fall.

Aerostar conversions may increase a little in 1988, Mittman said, but he doesn't foresee any dramatic increases, at least until Ford comes out with an extended-length Aerostar.

For the time being, the company is quite content to produce 90 percent of its Aerostars as passenger vans, from which it makes the most profit, leaving just 10 percent for the commercial cargo and conversion market.

James E. Greene, assistant manager of Chevrolet's special vehicles department, said Chevrolet's full-size van-conversion business in 1987 increased 25 percent, while Astro volume remained about the same. But Astro is a comer in the market.

Astro accounted for 35 percent of Chevrolet's van conversions in the 1987 model year and is expected to account for about 40 percent in 1988, according to Greene.

"The demand is certainly there," he said. "We just wish we had the capacity to build more Astros."

If Astro conversion demand continues at this pace, Chevrolet will lose some full-sized van conversions to Astro, Greene said. But he noted that the conversion market is seasonal and capable of abrupt swings.

Astro's conversion popularity is even more impressive when sales incentives are considered. General Motors is offering free air-conditioning on its full-sized vans. Worth more than $700, an A/C unit is given to van converters who order a group of the most generally popular options on the vehicles.

In contrast, there is no similar spiff on the Astro.

"If you put a pencil to it, the G van with free air is almost the same price *(wholesale)* as the Astro. So, it's strictly a consumer market-driven situation, and not price-driven," said Greene, who believes female customers are a major factor in Astro's rising popularity.

Chevrolet shipped about 50,000 to 60,000 G vans to converters in 1987, and expects to repeat that in 1988. Astro shipments pegged at 18,000 to 22,000 this year, are expected to increase to 22,000 to 25,000 in 1988.

GM shipments of Class A motor-home chassis totaled about 30,000 last year. John Deere, with its new Class A chassis and aggressive pricing, carved about 6,000 sales out of this market. Ford managed about 2,000 sales with its limited-production small Class A.

Although Ford supplies Deere with its engine and powertrain, it is the carbureted version of the Ford 7.5-liter V-8, and not the new fuel-injected unit, which would boost Deere's competitiveness in the motor-home chassis segment.

Pleased with the sales performance of their Class A chassis and other product and marketing moves they are undertaking *(see related story on page E8)*, GM officials figure they can fend off their Class A competitors in the 1988 model year.

GM shipped about 6,000 cutaway chassis to the Class C market in 1987, and anticipates it might do about the same or slightly better in 1988.

Chrysler shipped about 27,000 to 28,000 full-sized vans to converters through its dealers and consignment pools last year, according to James Lynch, manager of special vehicles.

Lynch thinks there may be a slight decline in 1988 based on the current economic climate, but he looks for a generally strong market.

Said the Chrysler official: "Right now the outlook is somewhat cloudy. With current economic trends and the stock market we're experiencing, there may be some slowdown in car and truck sales. Truck sales are still pretty strong, though. I think we can work our way through the next six months and still have pretty sizable industry sales and see a nice upturn next spring.

"The only thing that might affect that, of course, would be higher oil prices or shortages, or interest rates."

Lynch said the van-conversion market remains very strong.

Chrysler shipped about 3,000 minivans to converters last year. Lynch said the exact number is difficult to pin down because so many dealers order minivans with seats, in order to retain the flexibility of selling them to an RV company or a commercial account.

Chrysler's conversion-pool accounts also order a certain number of minivans with seats.

Lynch said Chrysler has been getting "a great deal of interest" from dealers and converters for the extended minivan which provides extra room behind the rear seat for luggage and good performance with its new V-6 engine.

In January, Chrysler plans to increase production of minivans, shifting more of its mix toward extended-length models and increasing both dealer and conversion-company allocations.

"We feel there's definitely a commercial and van conversion market out there in which we can increase sales by changing the mix; but we're going to go very cautiously until we see exactly what the market can absorb," Lynch said.

Chrysler has been putting scheduling preferences on Caravan/Voyager wagons. But with its St. Louis plant up and running, there will be extra capacity to go after other markets.

Chrysler has found that many of the conversion companies, through sophisticated purchasing capabilities and design concepts, have been able to create some "very, very competitive" factory-competitive packages for its minivans, Lynch said.

Like its competitors, Chrysler has a specially discounted package on full-sized vans. Called the Prospector, it provides a Dodge dealer with a favorable discount on optional equipment purchased for van-conversion applications.

Pool companies order 85 percent of their vans with the package, according to Lynch. Chrysler consigns the vehicles to them, and they in turn wholesale them to dealers.

The new Prospector IV package, offering about a $500 retail-level discount, has a content very similar to last year's.

Although Chrysler undoubtedly will do more conversion business because of its increased minivan production capacity, the company has no plans to expand its pool accounts.

"We've aligned ourselves with 50 of the most prominent accounts in the country," Lynch said. "The only time we make a change is if a company doesn't make proper use of its consignment inventories" — meaning it doesn't turn over sales within a reasonable time period.

Lynch said that having more pool accounts would not necessarily generate more sales, but would simply result in the Dodge pool organization "storing more vehicles and tying up more cash." ■

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COMING DEC. 14: AUTOMOTIVE NEWS OVERSEAS FOCUS EXTRA

Industry Editor
Al Fleming

Assistant Industry Editor
Edward Peabody

RVIA: voice of the RV industry

The Recreation Vehicle Industry Association (RVIA), based in Reston, Va., is the national association of RV manufacturers and component parts suppliers that together produce 95 percent of all recreation vehicles in the United States.

RVIA defines a "recreation vehicle" as a vehicle designed as temporary living quarters for recreational, camping, travel or seasonal use. RVs may have their own motor power (as with motor homes); may be mounted (as are truck campers); or towed by another vehicle (travel trailers). Off-road vehicles are not included in the definition.

RVIA has 641 members, including: 278 manufacturers; 284 suppliers; 7 manufacturer's representatives; and 72 affiliates and associates.

The basic purpose of RVIA is to serve as an industry voice with the government and general public, and as chief source for shipment statistics, market research, technical data, consumer and media information.

In addition to sponsoring two annual RV shows, RVIA maintains an inspection program to monitor compliance of the plumbing, heating, electrical, and fire and life safety systems of vehicles made by its members in conformance to American National Standards Institute standards for motor homes, travel trailers, park trailers, truck campers and folding camping trailers, and alerts consumers to look for the oval-shaped RVIA seal.

The black and silver shield displayed on the exterior of van conversions means the converter self-certifies compliance with Federal Motor Vehicle Safety Standards (FMVSS) and certain National Electrical Code (NEC) requirements.

For RVIA members that produce van conversions with at least one plumbing, heating or 120-volt electrical system, displaying the oval seal is mandatory, while displaying the van shield becomes optional.

RVIA also provides an ongoing Federal Motor Vehicle Safety Standards (FMVSS) educational program for its members, and an RVIA seal affixed to members' units signifies their participation in the program.

RVIA monitors state and national legislation that could have a positive or negative effect on the RV industry. Current issues under scrutiny include: energy; franchising; warranties; financial or credit restraints; equipment requirements; product liability; licensing; bonding; titling and registration procedures; rules regarding use and highway movement.

A study by the University of Michigan shows there are approximately 7 to 8 million RVs in the United States and that there are about 25 million RV enthusiasts. In addition, rentals of RVs are booming. ■

RV Shipments Since 1969

	Unit Shipments (in Thousands)	% Change (All Type) From Prior Year	Retail $ Value (in Billions)
1969	400.6	+20.3	$1.043
1970	380.3	– 5.1	1.122
1971	451.0	+18.6	1.597
1972	582.9	+29.2	2.365
1973	528.8	– 9.3	2.322
1974	295.8	–44.1	1.392
1975	339.6	+14.8	2.320
1976	541.1	+59.4	4.264
1977	533.9	– 1.3	5.327
1978	526.3	– 1.4	5.683
1979	307.7	–41.5	3.581
1980	181.4	–41.0	1.951
1981	239.1	+32.0	2.775
1982	258.0	+ 8.0	3.505
1983	358.0	+39.0	6.324
1984	398.2	+11.2	7.733
1985	359.2	– 9.8	7.029
1986	379.5	+ 5.7	7.564

Source: RVIA

Volvo shopping in big-truck field

Gyllenhammar hints at expansion in U.S. and worldwide

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

STOCKHOLM, Sweden — AB Volvo, which has taken over General Motors' heavy-duty truck operations in the United States, will consider new acquisitions for its worldwide truck business, including further expansion in the United States.

In an interview, Volvo Chairman Pehr Gyllenhammar said his company's high level of cash liquidity in the current stock market climate could present acquisition opportunities. He said the Volvo group is particularly interested in building up its truck and food sectors.

In the United States, Renault's Mack Truck unit is seen as a possible target, though Gyllenhammar said, "I don't know if it is for sale."

Volvo has outlined an aggressive growth strategy for its U.S. truck business. It has 76 percent interest in the newly formed Volvo-GM Heavy Truck Corp. and has announced a $100 million investment program to expand and upgrade U.S. production facilities.

Analyst John Lawson of Nomura Research Institute, London, has said that Volvo is pursuing "the clearest and boldest strategy of any truck manufacturer worldwide."

"The accelerated commitment to the U.S. market raises the stakes for Volvo's competitors who have yet to declare a strategy for globalization," Lawson said.

Volvo's better-than-expected third-quarter results put the corporation in a good position for major new purchases, according to Gyllenhammar. The group's pretax profits increased 21.5 percent in the quarter to 2.28 billion Swedish kronas ($380 million).

In his official statement, the chairman said Volvo's financial position "is especially strong in a weak stock market," adding that "with no net liability and strong net financial income, we can handle setbacks. Our high liquidity also enables us to take advantage of opportunities that may arise."

Through the third quarter, the group's liquid funds amounted to 21.3 billion kronas ($3.55 billion) compared with 17.7 billion kronas on Dec. 31, 1986.

While Volvo remains interested in truck industry acquisitions, Gyllenhammar said tough competition in Europe may have dulled the ambitions of some other truckmakers.

"I think there is more and more interest in the U.S. market, also from Europeans," he said. "On the other hand, there has almost been a price war going on in Europe for years now, and there are many manufacturers who haven't made money and that does not create a new appetite for acquisitions or expansion."

Mack frequently has been mentioned as a possible target of Sweden's Scania or Daf Trucks of the Netherlands. Both companies have U.S. ambitions, but Scania has only a small dealer network in the Northeast and some Midwest states, while Daf currently has no presence in the United States.

"I think there has been an interest from many in Mack," said Gyllenhammar. "It's a very good name and has always been a good company. But it depends very much on the plans of Renault."

Gyllenhammar said Volvo "has not declared an interest in Mack specifically."

"But I would say that we are interested enough in the U.S. market so that any movement that affects the whole market we would like to know about and perhaps participate in the discussion," he added.

Enasa, the Spanish government-owned maker of Pegaso trucks and buses, may enter the U.S. market late next year and is talking with manufacturers who have distribution networks. However, Gyllenhammar said Volvo is not interested in a link-up with Enasa.

"We think that product is very important, and I have a feeling that the Spanish manufacturer has been looking to other partners to support its product development," he said. "So to help someone else into the United States is not really our primary objective."

Enasa recently introduced a new heavy-truck range in Europe featuring a cab developed in a joint venture with Daf.

Noting that heavy-truck sales in the United States grew 18 percent during the first nine months of 1987, Gyllenhammar said he is bullish about that market.

"We've seen a very sound truck market, at least in the areas in which we operate, primarily North America and Western Europe," he said. "The truck market does not normally decline dramatically unless the whole world economy gets a big shock. I would suppose that we would still have a fairly good truck market in 1988."

Volvo-GM Heavy Truck is expected to sell some 20,000 units in the United States in 1988 including about 8,000 GMC units. In the long term, capacity at Volvo-GM's New River Valley plant in Virginia and at its Utah facilities is expected to be doubled to about 24,000 units.

Topaz will be introduced on Mexican market in February

Mercury Topaz production begins at Ford of Mexico

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — The Mercury Topaz, available since 1983 in the United States, now is being produced at Ford Motor Co.'s Cuautitlan plant near Mexico City. It will be introduced on the Mexican market in February, a Ford spokesman said.

In Mexico, the car is known as the Ford Topaz. It will replace the older Topaz, which was Mexico's first aerodynamic car when it was introduced several years ago.

The Topaz and the Taurus will lead Ford's lineup for the 1988 model year, following the 100-day labor dispute in Cuautitlan that wrecked Ford's production plans for 1987.

"In volume terms, we lost about 10,000 units, including cars and trucks," the spokesman said.

The Cuautitlan plant, whose production is exclusively for the Mexican market, reopened Nov. 5 with a scaled-down workforce.

The spokesman said, "We have re-employed 70 percent of the workforce that we had before the dispute started (3,200 blue collar workers). As soon as production accelerates, we will take on more."

He added, "With the new contract, Ford is in a much more competitive position in Mexico."

Other Ford cars being made at the Cuautitlan plant for the 1988 model year are the Cougar and Thunderbird. The plant produced 1,900 Thunderbirds, 3,600 Cougars and 10,100 Topazes in the 1987 model year, as well as pickup trucks, according to Ford statistics.

Mazda and NEC team up in Japan to develop auto electronics

HIROSHIMA, Japan — Mazda Motor Corp. and NEC Corp. have formed a new company in Japan to develop advanced automobile electronic technology.

Called NALDEC, an acronym for New Automobile Life Development by Electronics, the new company will be located in Hiroshima. Sachio Hata, currently general manager of corporate projects for Mazda, has been named president.

Mazda and NEC, one of Japan's leading electronics and communications equipment manufacturers, said they decided to form the new company "because of the growing application of advanced electronic technology in automobiles."

Initially, the company will focus on electronic-technology development for automotive use, although production is planned in the future, Hata said.

Mazda and NEC each will hold 50 percent equity in the firm, which will be capitalized at $1.8 million. Annual sales for the company, which will have 50 employees, are targeted at $7.1 million.

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AUCTION DATES

American Motors

Dec. 1 — D-A Auto Auction, New Stanton, Pa.

Dec. 2 — Newburg Auto Auction, Newburg, N.Y.

Dec. 3 — Greater Chicago Auto Auction, Chicago, and Wolfe's Evansville Auto Auction, Evansville, Ind.

Dec. 4 — St. Louis Auto Auction, St. Louis

Chrysler Motors

Dec. 1 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Hatfield Auto Auction, Hatfield, Pa.

Dec. 2 — A.D.E. of Birmingham, Birmingham, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

Dec. 3 — Fredericksburg Auto Auction, Fredericksburg, Va.; Clanton's Auto Auction, Darlington, S.C.; and Utah Auto Auction, West Bountiful, Utah

Dec. 4 — St. Louis Auto Auction, Bridgeton, Mo., and Manheim Auto Auction, Manheim, Calif.

Dec. 8 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

Ford Motor Co.

Dec. 2 — Northway Auto Auction, Clifton Park, N.Y.; Lakeland Auto Auction, Lakeland, Fla.; and Southern Auto Auction, Fontana, Calif.

Dec. 3 — Albuquerque Auto Auction, Albuquerque, N.M.; Minneapolis Auto Auction, Plymouth, Minn.; and St. Louis Auto Auction, Bridgeton, Mo.

Dec. 9 — Indianapolis Auto Auction, Indianapolis, and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Dec. 10 — Baltimore-Washington Auto Exchange, Baltimore; Dallas Auto Auction, Grand Prairie, Texas; Denver Auto Auction, Aurora, Colo.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Phoenix, Ariz.; Bay Cities Auto Auction Inc., Hayward, Calif.; and Skyline Auto Exchange, Fairfield, N.J.

General Motors

Dec. 1 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; Harrisonburg Auto Auction, Harrisonburg, Va.; and South Seattle Auto Auction, Kent, Wash.

Dec. 2 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Dec. 3 — Baltimore-Washington Auto Exchange, Baltimore; Butler Auto Auction, Gibsonia, Pa.; Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Used Car Sales
Auction Averages

November, 1987	$5,951
Month ago	$6,001
Year ago	$5,181

Model Breakdown
Auction Averages

	NOV 1987	OCT 1987	SEP 1987
1987	$10,564	$11,220	$11,357
1986	$8,454	$8,624	$8,808
1985	$7,199	$7,257	$7,321
1984	$5,640	$5,711	$5,764
1983	$4,844	$4,897	$4,940
1982	$3,504	$3,549	$3,607
1981	$2,542	$2,549	$2,583
1980	$1,996	$2,022	$2,044
Overall Average	$5,951	$6,001	$6,043

'Lost' cars hurt Chrysler

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Motors attributes a 22 percent drop in its 1987 domestic-car sales to the 237,983 units of production it lost in high-volume car lines.

Chrysler Motors Chairman Gerald Greenwald said last week that the company also has been affected by the 10-percent decline in the U.S. domestic-car market.

However, Chrysler's drop of 1.6 percentage points in domestic-car share this year resulted in part from the temporary production halt of the high-volume Plymouth Horizon America, Dodge Omni America, Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Gran Fury, he said.

Those subcompacts and full-sized sedans accounted for 2.2 percentage points of market share in 1986, Greenwald said.

Greenwald: "Chrysler was essentially out of the small-car and large-car business this past year."

The America subcompacts were out of production for six months with a loss of 162,000 units in 1987, Greenwald said. The company lost production of 76,000 of its large, rear-wheel-drive sedans during a three-month production halt.

Greenwald said Chrysler expects to increase its market share 1.0 to 1.5 percentage points in 1988, capturing 15 percent of the North American vehicle market.

Chrysler has resumed production of the America subcompacts and the rwd sedans at its Kenosha, Wis., assembly plant. It also resumed production of the Eagle Premier in Bramalea, Ontario, Nov. 23.

Chrysler also has recently entered the luxury market with the Dodge Dynasty, Chrysler New Yorker and New Yorker Landau front-wheel-drive sedans.

"Chrysler was essentially out of the small-car and large-car business this past year while we basically held our own in the middle and our truck sales soared," Greenwald said.

Now, he said, Chrysler is competing in all segments.

Greenwald said sales in the fourth quarter of 1987 are expected to be down from last year's levels because in 1986 a strong surge in year-end sales resulted from federal tax reform.

However, he described fleet business as "booming." Chrysler's fleet orders for cars are up 17 percent in the calendar year and truck orders are up 24 percent, he said.

TRANSPLANTS

FROM PAGE 2

ure includes labor, parts and services, such as utilities, the Cami spokesman said.

No final determination has been made on the percentage of Cami production to be exported to the United States, the spokesman said.

"A lot will depend on market strength," he said, noting that GM sells a higher percentage of small cars in Canada than in the United States.

The spokesman said that Suzuki negotiated a letter of understanding with the Canadian Auto Workers.

The letter outlines a flexible work agreement that reduces the number of job classifications but retains traditional union procedures. It has to be ratified by Cami workers.

Cami is the only Asian-affiliated company in Canada that has indicated a willingness to be unionized, a Canadian Auto Workers spokeswoman said.

Honda of Canada Manufacturing, of Alliston, Ontario, the only Asian transplant company now assembling cars in Canada, is not unionized.

The Alliston plant, which will employ 650 workers when full capacity is reached in 1989, began production last year.

Volvo's Canadian workforce is unionized. The new $15 million (Canadian) plant will assemble the 740-series sedans and wagons and, like the old plant, will employ about 180 production workers.

Construction of Hyundai's one-million-square-foot plant in Quebec should be complete and weather tight at the end of this year, a Hyundai Auto Canada spokesman said. The $325 million (Canadian) project is "on schedule and on budget," he said.

Equipment is now being installed in the paint shop.

"By this time next year, the plant should be gearing up for some trial production. We plan to go into mass production at the beginning of January 1989," the spokesman said.

Full capacity of 100,000 units of a new model will be attained by 1991, he said. It is to be a mid-sized model.

"This is a model that isn't even in production in Korea yet. We plan to unveil the car publicly in 1988," he said.

The spokesman said that information about the new model that "was given out a year ago is not accurate any longer. The car was in the design stage then."

First reports were that the Bromont plant would build a car in the Stellar category. Later, it was reported the new Hyundai model would be styled by Giorgio Giugiaro, have a new V-6 engine and be more luxurious and advanced than anything Hyundai has built to date.

Unlike the other transplant operations under construction in Canada, the Hyundai plant is strictly an assembly facility, like Honda's and Volvo's.

There are no stamping or plastic facilities at Hyundai, and there is no talk now of producing components such as engines.

About 130 components will be sourced locally the first year, he said, and the rest will come from Korea. "We do intend to increase (local sourcing) year by year," he said.

The Hyundai plant, on 420 acres, will employ 1,200 workers when a second shift is added in the spring of 1990, he said.

The first technical and supervisory employees have been hired and were sent to Korea to be trained on a production line.

The Hyundai spokesman said that though most auto plants and suppliers in Canada are in Ontario, the transportation and utility access are good at Bromont, the plant is on a rail line, and it is close to the port of Montreal.

He gave Hyundai's position on the Canadian Auto Workers union: "Our first endeavor is to create a harmonious and cooperative working environment. If and when the CAW wants to unionize, that will be left up to the workers."

TRADE

FROM PAGE 1

estimated U.S. trade deficit for 1987 at $170 billion — about $10 billion higher than last year's $160 billion trade gap.

House Speaker Jim Wright, D-Texas, said that a conference committee charged with resolving differences between House and Senate trade bills will not complete their work until late February 1988. Floor action is not expected until mid-March.

The UAW claims Wall Street wants a trade bill that will check the negative balance of trade in the United States.

Steve Beckman, UAW economist, said, "It is extremely regrettable that Congress has not yet acted on trade legislation in the face of the stock market decline and the other serious economic challenges confronting the United States.

"The stock market was responding to fears that the trade problem is not going to be remedied and that the U.S. is going to continue to be at the mercy of foreigners financing the U.S. deficits," he said.

Beckman described the compromise to reduce the federal budget deficit as "progress." He added that the deal "is within the range of expectations of foreign governments and the financial markets."

Import-car dealers hold an opposite view on the trade issue. Robert McElwaine, president of the American International Automobile Dealers Association, said, "Black Monday was directly linked to fears that were tied to trade legislation.

"The economic changes that have taken place in the last month have altered people's thinking on trade, and no one in Congress wants to be remembered the way Mr. Smoot and Mr. Hawley are."

McElwaine was referring to the 1920s Smoot-Hawley tariffs that are widely cited as one of the causes of the Great Depression.

"A substantial group in the Senate wants to do a basic bill that includes trade negotiating authority for the president, a new harmonized system of tariff classification and some agricultural items in the existing trade bill," McElwaine said.

According to White House reports, Reagan has sufficient support in the Senate to uphold a presidential veto if the bill is too protectionist.

McElwaine said a trade bill of this kind "could be done in a couple of days and would face no real resistance if we could get a couple of people on board." He specifically mentioned Senate Finance Committee Chairman Lloyd Bentsen, D-Texas, and House Speaker Wright as the two members whose support is needed.

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AUCTIONS

FROM PAGE 1

Auction and Auto Dealers Exchange are independents. Others are part of chains owned by Anglo American, General Electric Credit Auto Auctions and Manheim Auctions.

Officials of most of the top auctions say dealer consignments are their most important segment. Most would like to see their dealer consignments comprise 50 percent or more of their total sales.

Lease and fleet vehicles also are important segments, followed by factory "buyback" cars and trucks.

Auction executives enjoy the high volume and prices generated by factory sales, but they wonder how long the manufacturers can continue to use buyback and guaranteed price programs to buoy new-car sales and production volume.

Said Tony Moorby, vice president of sales for Anglo, "The manufacturers are being forced into another year of program cars because retail sales are not supporting the level of production they like to maintain."

Most managers at the 10 largest auctions said the buyback programs will be strong for at least two years.

Joe Greco, manager of the Florida Auto Auction of Orlando, said roughly a third of the cars sold at his 11-lane auction on 90 acres are fleet and lease vehicles. The auction is owned by Manheim.

Contributing to the auction's success is its location, in central Florida with the huge number of daily rental companies serving thousands of vacationers.

Earlier this year, the auction set a single-day sales record by selling 4,095 units, or 68 percent of the 6,026 vehicles consigned, raking in $41 million.

Al Sindoni, general manager of second-ranking NADE, said his auction's success is due to "being in the right neighborhood and offering good service."

Unlike other top-selling auctions, NADE runs only a dealer consignment operation. But Sindoni said a reconditioning center will open by year-end, so the auction will have the capability to process fleet and factory vehicles. NADE, too, is owned by Manheim.

Clanton's Auto Auction, purchased earlier this year by GE Credit Auto Auctions for an estimated $37 million, attributes its success to customer confidence.

"We have culled out the bad dealers supplying the cars over the years," said Ray Clanton Sr., former owner and now general manager.

General Motors, Chrysler Motors and Ford Motor Co. are customers of Clanton's. Fleet, lease and factory vehicles account for roughly 20,000, or 38.9, percent of the auction's sales annually.

"Fleet and lease is very important and becoming more so because the factories control it," Clanton said. "We would be missing a big segment of the market if we weren't doing it."

David Harrison, general manager of the California Auto Dealers Exchange, said Southern California has the largest used-car market in the world. Although the auction doesn't have factory sales (program vehicles , its fleet and lease sales amount to 12 to 18 percent of its business, Harrison said.

Surprisingly for the region, he said, only 15 to 20 percent of the auction's business is import vehicles.

"There is a large number of domestic vehicles running around on California highways," he said.

Harrison said support from Manheim has contributed to the auction's growth since it opened as a greenfield operation 13 years ago.

Larry Tribble, owner of Southern Auto Auction, said he mingles imports with domestic cars at the auction instead of separating them, even though "Connecticut has one of the highest rates of import registrations in the country."

Southern Auto Auction is one of the few large independent auto auctions left. A 100-acre expansion project, including improved facilities, is on the drawing board. Tribble estimated the investment at $5 million.

He said the dramatic growth of factory buyback programs has affected the auction business.

"There are tremendous demands on auctions by the factories," he said. "An auction has to perform to their levels of expectation to keep their business. The factories are pushing thousands of cars a month through the auctions — it's an exciting time."

He said a major portion of the auction's business is disposal of repossessed and lease cars for Ford Credit, General Motors Acceptance Corp., Chrysler Credit, Toyota Motor Credit and "the financial arms of every major bank in the East disposing of vehicles."

Dan Troup, general manager of Columbus Fair Auto Auction, said dealer consignments account for roughly 75 percent of the auction's business.

"We look at factory programs as the icing on the cake for auctions because it can come and it can go," he said.

Joe Maltese, president of Michigan-based APTCO Auction, owned by Anglo-American, said 40 percent of the auction's business is factory buybacks, followed by roughly 30 percent dealer consignment and 30 percent fleet leasing.

"If the factory business went away, then we would have to recover the lost business in another market segment," he said. "Ideally, dealer consignments should be 50 percent or more — it's the most important part of the business."

PRODUCTION

Mexico auto output up 16.8% in October

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Mexican assembly plants built 27,409 cars in October, 16.89 percent more than the September total of 23,448 and 39.62 percent more than the year-ago month's 19,631.

For the first 10 months of the year, 208,047 cars were assembled, 26.08 percent more than the 165,009 completed during the same period in 1986.

Ford Motor Co.'s October output was affected by a strike at its Cuautitlan plant.

Ford's October build of 6,606 cars was 4.96 percent more than September's 6,294. Both months reflect only Tracer output.

In October 1986, Ford built 1,288 cars, all of which were Cougar, Thunderbird and Topaz models, produced at the Cuautitlan plant for sale in Mexico. Ford was not building Tracer at that time.

Ford's 10-month total of 52,401 compares with the 17,167 last year.

Chrysler Motors' Mexican output for October totaled 5,344. 31.40 percent more than September's 4,067 and 38.59 percent more the year-ago month's 3,856.

Through October, Chrysler had built 54,845 cars, an increase of 54.76 percent from the 35,438 built in 1986.

Chrysler assembles Aries and Reliant models for export to the United States and the LeBaron J for the Mexican market.

General Motors reported October production of 5,077 cars in Mexico, 11.66 percent more than the preceding month's 4,547 and 78.39 percent more than the 2,846 built in October 1986.

At the end of 10 months, GM had assembled 22,402 cars, 47.47 percent more than the 15,191 built in the comparable 1986 period.

GM produces the Chevrolet Celebrity, Buick Century and Oldsmobile Cutlass Ciera in Mexico. Of those, GM exports only the Celebrity to the United States.

Volkswagen reported it built 6,086 cars in Mexico during October, 5.60 percent more than the 5,763 built in September out 6.54 percent below the year-ago month's 6,512.

Nissan built 4,296 cars in Mexico during October, 54.69 percent more than September's 2,777, a model changeover month, but 16.24 percent below the year-ago month's 5,129.

North American car production for October totaled 776,941, 17.55 percent more than September's 660,948 but 9.69 percent below the 860,278 built in October 1986. At the end of 10 months, 6,875,047 cars had been assembled in North America, 10.87 percent below the 7,713,911 completed in the comparable period of 1986.

MEXICAN, N. AMERICAN CAR
Oct. 1987 vs. Oct. 1986

	Oct. 1987	Oct. 1986	10 mos. 1987	10 mos. 1986
Chrysler	5,344	3,856	54,845	35,438
Ford	6,606	1,288	52,401	17,167
GM	5,077	2,846	22,402	15,191
Nissan	4,296	5,129	44,373	40,968
Volkswagen	6,086	6,512	34,026	56,245
Total Cars, Mexico	27,409	19,631	208,047	165,009
Total Cars, U.S.	671,681	731,245	6,020,310	6,657,425
Total Cars, Canada	77,851	109,402	646,690	891,477
Total Cars, N. American	776,941	860,278	6,875,047	7,713,911

CANADIAN CAR	Week Ended Nov. 28, 1987	Week Ended Nov. 29, 1986	Week Ended Nov. 21, 1987	Nov. Est.	Jan. 1 to Nov. 28, 1987	Jan. 1 to Nov. 29, 1986
CHRYSLER	1,018	148	114	1,815	7,913	4,112
FORD MOTOR	11,525	11,400	8,037	39,923	394,476	462,443
GENERAL MOTORS	11,712	10,058	10,958	44,859	301,977	479,846
HONDA	500	0	504	1,748	13,906	0
VOLVO	0	225	0	0	7,989	9,195
Total Cars, Canada	24,755	21,831	19,613	88,345	726,261	975,596

U.S. TRUCK☆	Week Ended Nov. 28, 1987	Week Ended Nov. 29, 1986	Week Ended Nov. 21, 1987	Nov. Est.	Jan. 1 to Nov. 28, 1987	Jan. 1 to Nov. 29, 1986
CHEVROLET	14,139	4,753	23,406	79,509	1,034,851	1,075,421
DODGE/PLYMOUTH	5,050	3,006	9,095	31,820	284,621	130,729
FORD	18,631	17,071	32,603	113,979	1,353,342	1,261,144
GMC	4,639	1,715	6,212	25,748	346,505	329,838
NAVISTAR	1,109	972	1,686	6,340	68,413	66,588
JEEP	3,100	2,610	4,545	16,768	204,527	173,943
NISSAN	2,094	1,045	3,380	12,173	88,298	101,575
AM GENERAL*	270	30	450	1,620	15,570	2,304
MISCELLANEOUS*	1,380	1,380	2,300	8,280	107,340	104,972
Total Trucks, U.S.	50,412	32,582	83,679	296,237	3,503,467	3,246,514

CANADIAN TRUCK	Week Ended Nov. 28, 1987	Week Ended Nov. 29, 1986	Week Ended Nov. 21, 1987	Nov. Est.	Jan. 1 to Nov. 28, 1987	Jan. 1 to Nov. 29, 1986
JEEP	750	640	726	3,181	32,864	26,170
CHRYSLER	8,034	9,102	8,107	29,083	355,651	368,688
FORD	3,648	2,488	2,727	14,002	138,398	135,156
GENERAL MOTORS	6,750	908	6,021	23,883	215,594	184,542
NAVISTAR	225	199	225	906	9,025	8,668
Total Trks., Canada	19,407	13,337	17,806	71,055	751,532	723,254
U.S., Canada Trks.	69,819	45,919	101,485	367,292	4,254,999	3,969,768

*—Includes window van production. **—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended Nov. 28, 1987	Week Ended Nov. 29, 1986	Week Ended Nov. 21, 1987	Nov. Est.	Jan. 1 to Nov. 28, 1987	Jan. 1 to Nov. 29, 1986
AMERICAN MOTORS	0	0	0	0	15,994	46,844
Renault Total	0	0	0	0	15,994	46,844
Alliance	0	0	0	0	15,994	43,497
Encore	0	0	0	0	0	3,347
CHRYSLER MOTORS	14,050	13,516	20,004	75,984	990,053	1,198,999
Plymouth Total	3,800	5,563	6,745	23,744	221,144	385,264
Horizon	500	1,892	822	2,861	41,002	157,594
Sundance	900	1,169	1,851	5,988	82,525	28,478
Reliant	2,000	1,985	3,436	12,553	121,229	140,570
Caravelle	300	517	480	1,829	39,914	41,036
Gran Fury	100	0	156	513	6,474	17,586
Chrysler Total	4,300	2,389	4,656	19,766	329,770	348,574
Laser	0	0	0	0	0	26,978
LeBaron K	550	959	1,012	3,543	60,000	78,550
LeBaron J	1,650	0	0	4,335	103,851	0
LeBaron GTS	300	541	510	1,637	35,249	58,786
N. Yorker E-Class	0	889	0	0	57,102	66,861
N. Yorker C-Class	1,000	0	1,794	6,218	13,722	0
Fifth Avenue	800	0	1,342	4,033	59,846	117,399
Dodge Total	5,950	5,584	8,601	32,474	369,139	465,161
Daytona	1,150	227	0	2,917	56,931	30,793
Omni	400	1,799	745	2,537	35,518	150,043
Shadow	1,000	1,102	2,167	6,926	86,652	27,662
Aries	2,350	1,455	3,740	13,792	114,207	116,144
Dodge 600	350	502	686	2,500	37,102	59,771
Dynasty	300	0	554	1,695	3,297	0
Lancer	100	499	302	885	21,832	44,665
Diplomat	300	0	407	1,220	13,600	36,083
FORD MOTOR	24,037	22,094	40,780	147,120	1,672,057	1,801,598
Ford Division	17,885	15,403	30,487	108,251	1,201,952	1,108,922
Escort	5,727	3,328	9,256	33,879	357,140	347,379
Mustang	2,688	2,261	4,367	15,960	195,590	162,984
Tempo	2,490	2,325	4,384	14,829	129,460	179,571
Taurus	4,816	5,450	8,978	31,634	375,050	296,258
Thunderbird	2,144	2,039	3,482	11,949	144,712	122,730
L-M Division	6,172	6,691	10,293	36,869	470,105	492,676
Mercury Total	3,672	4,257	6,216	24,562	303,185	326,551
Lynx	0	576	0	0	21,352	55,589
Capri	0	0	0	0	0	12,344
Topaz	721	663	935	4,655	41,767	53,215
Cougar	1,442	1,835	2,497	10,269	127,670	90,833
Sable	1,509	1,183	2,784	9,638	112,161	114,570
Lincoln Total	2,500	2,434	4,077	14,307	166,920	166,125
Continental	291	241	407	1,370	11,253	17,934
Lincoln	1,849	1,826	3,061	10,718	129,606	124,598
Mark VII	360	367	609	2,219	26,061	23,593
GENERAL MOTORS	45,376	32,008	75,329	279,020	3,191,052	3,784,149
Buick Total	6,092	5,935	11,726	43,875	517,898	707,601
Skyhawk	0	0	0	2,137	30,719	76,713
Century	2,064	3,446	3,313	11,870	146,009	210,291
Regal (rwd)	415	0	757	2,547	39,206	54,056
Somerset/Skylark	900	1,537	1,288	5,170	60,457	102,230
LeSabre (fwd)	1,440	952	2,156	8,309	132,396	143,331
LeSabre (rwd)	219	0	376	1,322	9,099	13,787
Electra (fwd)	820	0	3,451	11,150	87,655	83,777
Riviera	234	0	365	1,370	12,357	23,416
Cadillac Total	4,091	2,427	6,698	24,515	248,878	289,815
Cimarron	0	51	41	200	10,045	21,724
Allante	90	0	100	290	4,210	0
Brougham (rwd)	1,188	0	1,905	7,176	69,229	69,988
DeVille (fwd)	2,028	2,376	3,321	12,167	129,090	155,309
Eldorado	378	0	631	2,283	17,355	22,625
Seville	407	0	700	2,399	18,949	20,169
Chevrolet Total	20,069	10,175	33,274	119,338	1,261,463	1,196,287
Chevette	0	1,719	0	0	0	96,287
Camaro	1,590	2,640	2,497	9,056	111,778	161,733
Cavalier	4,724	1,150	7,079	26,587	285,499	362,657
Celebrity	3,890	3,514	6,775	23,364	275,171	237,180
Corsica/Beretta	4,973	308	8,760	31,068	316,388	8,333
Monte Carlo	1,078	844	1,825	6,665	88,547	101,861
Caprice	3,430	0	5,700	20,280	178,135	202,465
Corvette	384	0	638	2,318	25,945	25,771
Oldsmobile Total	7,772	5,747	12,141	44,807	560,817	863,685
Firenza	9	0	0	1,015	12,710	36,291
Calais	1,980	1,429	2,492	10,674	106,241	109,132
Cutlass Ciera	722	2,817	1,367	4,018	107,975	218,988
Cutlass Supreme	889	626	1,441	5,364	69,958	102,273
88 (fwd)	2,040	0	3,794	13,391	164,551	257,319
88 (rwd)	270	0	446	1,612	13,590	17,599
Olds 98	1,018	875	2,172	7,215	65,561	104,898
Toronado	253	0	429	1,518	14,613	17,185
Pontiac Total	7,952	7,724	11,490	46,485	601,996	726,761
Acadian*	0	233	0	0	0	14,872
Fiero	714	937	0	2,967	29,656	62,695
1000	0	307	0	0	0	19,187
Firebird	930	1,314	1,572	5,498	72,021	98,997
2000 Sunbird	1,350	494	1,983	7,335	80,030	123,444
Grand Am	3,120	2,820	4,801	19,238	228,493	210,129
6000	671	1,619	1,094	4,102	66,336	122,662
Bonneville	1,152	0	1,927	6,984	116,985	25,884
Safari/Parisienne	15	0	113	361	8,475	48,891
HONDA	3,945	3,969	7,218	26,035	297,998	211,636
Civic	913	1,015	1,849	6,039	81,685	15,162
Accord	3,032	2,954	5,369	19,996	216,313	196,474
MAZDA	223	0	406	1,209	2,509	0
NISSAN	786	1,744	1,325	4,540	108,512	54,343
NUMMI	2,250	2,389	3,705	13,321	176,335	178,080
Corolla	600	646	1,071	3,830	39,800	6,236
Nova	1,650	1,743	2,634	9,491	136,535	171,844
VOLKSWAGEN	1,200	1,016	1,815	6,985	59,298	77,682
Golf/GTI	780	866	1,115	4,485	44,335	77,282
Jetta	420	150	700	2,520	14,963	400
Total Cars, U.S.	91,867	76,736	150,582	554,214	6,513,808	7,153,331
Total Cars, Canada	24,755	21,831	19,613	88,345	726,261	975,596
U.S., Canada Cars	116,622	98,567	170,195	642,559	7,240,069	8,128,927
U.S., Canada Trks.	69,819	45,919	101,485	367,292	4,254,999	3,969,768
U.S., Canada Cars and Trks.	186,441	144,486	271,680	1,009,851	11,495,068	12,098,695

*—All Acadians are built for sale in Canada. **—Estimated.
Monthly estimates may contain error of one or two units due to rounding.

Car output is 91,867 in short week

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic auto production dipped from the prior week's as automakers worked only three days due to the Thanksgiving holiday.

Scheduled output of 91,867 fell 38.99 percent from the previous week's 150,582 but rose 19.72 percent from the year-ago holiday week's 76,736.

So far this year, 6,513,808 cars have been assembled, 8.94 percent below the 7,153,331 completed last year at this point.

Companies split last week's estimated production as follows: General Motors, 49.40 percent; Ford Motor Co., 26.16 percent; Chrysler Motors, 15.29 percent; Honda of America Manufacturing Inc., 4.29 percent; New United Motor Manufacturing Inc., 2.45 percent; Volkswagen of America, 1.31 percent; Nissan Motor Manufacturing Co. U.S.A., 0.86 percent; and Mazda Motor Manufacturing (U.S.A.) Corp., 0.24.

GM's Oklahoma City plant will shut down for inventory adjustment on Dec. 14. The plant is slated to return after the Christmas holiday.

Chrysler's St. Louis (No. 1) plant resumed output last week. It had been idle for two weeks for inventory adjustment.

All plants were closed last Thursday and Friday for the Thanksgiving holiday.

Holiday slashes truck schedule

U.S. truck production was scheduled at 50,412 units last week, a drop of 39.76 percent from the prior week's 83,679 due to the Thanksgiving holiday, but an increase of 54.72 percent from the year-ago week's 32,582, which was also a shortened by the holiday.

Year-to-date, 3,503,467 trucks have been assembled, 7.91 percent more than the 3,246,514 built last year at this point.

Because of the holiday, there was no overtime scheduled last week.

Car-truck build rises in Canada

Canadian automakers scheduled production of 24,755 cars last week, 26.22 percent more than the previous week's 19,613 and 13.39 percent more than the year-ago week's 21,831.

So far this year, 726,261 cars have been built, 25.56 percent below the 975,596 assembled last year at this time.

Targeted truck production of 19,407 units last week was 8.99 percent more than the prior week's 17,806 and 45.51 percent more than the year-ago week's 13,337.

Year-to-date, 751,532 trucks have been completed, 3.91 percent more than the 723,254 built last year at this point.

Chrysler Motors' Bramalea, Ontario, plant resumed output last week. The plant, which assembles the Eagle Premier, had been closed since Nov. 4 because of quality problems.

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Rift brews in Chrysler, UAW affair

Union talks tough on path to '88 talks

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

HAINES CITY, Fla. — As preparations for 1988 national contract bargaining at Chrysler Motors got under way here last week, the UAW's top negotiator with Chrysler called labor-management relations the worst in many years.

But his counterpart at Chrysler said he had "no evidence of that at all" and called relations "positive."

Marc Stepp, UAW vice president in charge of the Chrysler department, said in an interview, "I had a lot of trust and respect for former Chrysler labor relations people. But today, the Gerry Greenwalds and the Tony St. Johns do not have my trust."

Stepp said the sore point is Chrysler's outsourcing, "in violation of the spirit of the 1985 agreement."

Stepp made his remarks two days before a meeting between UAW local leaders and the company's top management, including Chrysler Motors Chairman Gerald Greenwald, Chrysler Motors Vice President Anthony St. John and Chrysler Corp. Chairman Lee Iacocca.

St. John, who is Chrysler's top negotiator, said in a telephone interview after the meeting, "Joint activities, especially during the past two years, reflect positively" on the UAW-Chrysler relationship.

St. John said the annual joint meeting "is probably unique in the auto industry."

"You must have caught him at a bad time," he said of Stepp's charges.

Stepp said in the interview, "The relationship between Chrysler and the international union is worse than it's been in many years."

Later he said the joint meeting "went very well," but that it did not provide "the opportunity or the setting" to discuss the outsourcing problem.

Stepp also said there was no opportunity to discuss Greenwald's remark to the union leaders that an economic downturn might delay construction of the new Jefferson plant in Detroit. Stepp said the Chrysler executives "just came and spoke and left."

The Chrysler-UAW meeting in Florida followed a meeting of the UAW national Chrysler council, which includes local leaders from 70 units forming nine subcouncils.

The subcouncils elected a 10-member national bargaining committee, which will begin negotiations with Chrysler next summer.

The Chrysler contract expires

see UAW, page 58

AUTOMOTIVE NEWS/JOE WILSEENS

More incentives on GM models
Four of the five General Motors car divisions have announced incentives for buyers of selected cars and trucks. This Buick Century is offered with a $600 rebate or free air conditioning between Nov. 25 and Jan. 11. **Story on Page 59.**

Trucks pace November gain

21% rise helps U.S. vehicles top '86 despite car falloff

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

November car and truck sales were stronger than expected coming into the final stretch, giving domestic and imported automakers confidence that consumers have not spun out since Black Monday.

For the second month in a row, the rise in light-truck sales overshadowed the drop in domestic car sales. They combined for a modest sales gain of 2.41 percent over the same month last year.

Combined sales of 791,821 U.S.-built light trucks and cars were recorded last month compared with 773,175 domestic vehicles in November 1986.

Light-duty trucks were up 21.32 percent to 305,853 from 252,101 units in November 1986.

However, for the eight domestic car makers, November sales fell 6.74 percent to 485,968 units compared with 521,074 for the same month a year ago.

The Big 3 domestic makers put in place incentives during the month that helped bolster November's light-duty truck sales by 21.32 per-

see SALES, page 6

L-M to sell vehicle from Ford-Nissan

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — The proposed agreement between Ford Motor Co. and Nissan Motor Co. to develop and produce a multipurpose vehicle will be ready for approval by Ford directors in April or May.

Sources close to the project say Nissan executives are expected to sign the agreement the following month.

Negotiators have set initial annual production at 100,000 units, with a 50-50 split between the two companies. The vehicle will be introduced in the North American market in 1992.

It will be marketed by Ford through its Lincoln-Mercury dealers and by Nissan through its existing dealer network.

A 20-member team formed by the two automakers last May has agreed that Nissan will be responsible for design and development of the new vehicle. Production will be handled by Ford, which is expected to assign the work to one its existing assembly plants.

Three of Ford's U.S. assembly plants are producing on single shifts; the rest are running two shifts daily. The company said last week, however, that future capacity requirements will play a role in determining whether Ford will be interested in Volkswagen's Westmoreland County, Pa., plant, scheduled to close in mid-1988.

Design and styling of the multipurpose vehicle is being done by Nissan Design International, a San Diego-based Nissan subsidiary that has developed three Nissan image leaders, the Hardbody pickup, the Pathfinder sport-utility vehicle and the Pulsar NX sporty coupe.

A majority of the parts and components for

see FORD-NISSAN, page 56

RAPID RIPOFF: *Innovative thieves use a file, elbow grease and pick their targets, primarily Japanese*

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — A new, fast technique that permits thieves to open auto doors and start engines in less than 30 seconds is causing great concern among law enforcement officials in Southern California and across the United States.

The technique involves a regular car key that has been filed down to a point. It is used to open car doors and start ignitions, primarily on cars made in Japan.

The "keys" — classified as picks by some police officials — became a serious problem in Southern California about two years ago.

Since then, the filed keys and the resulting problems have become more widespread in scope, surfacing in Northern California, Oregon, Washington, Colorado, Texas, Virginia, Louisiana and British Columbia, according to the International Association of Auto Theft Investigators.

Law enforcement officials estimate that filed keys are used in more than 25 percent of the thefts of Toyotas, Nissans and older Datsuns.

In the first half of 1987, according to the California Highway Patrol, 80 percent of the most-often-stolen cars in California were Toyotas, Nissans and Datsuns, ranging in model years from 1976 to 1985. Volkswagen Beetle models

LANCE GRAVES

from 1966 and 1967 filled the two other top spots.

Approximately 112,700 vehicles were stolen in California during the six-month period, an increase of 14 percent over the same period a year earlier, the highway patrol said. The most commonly stolen car is a late-model Toyota. The average value of a stolen auto is $4,500.

In California, about 90 percent of the stolen cars are recovered, but only 63 percent of them are considered to be in driveable condition, the highway patrol said.

In Los Angeles, police believe the filed keys account for only a small percentage of the stolen vehicles. However, in neighboring Orange County, William Bierer, a highway patrol vehicle theft investigator, said he believes the great majority of stolen Japanese vehicles are taken with filed keys.

"We have a very, very large problem," Bierer said. "They are very sophisticated."

Detectives Grant Varner and Marcus Frank, of the Westminster, Calif., police department, are credited with first recognizing the extent of the problem. In August 1986, the Westminster Police Department made a nationally distributed training videotape entitled "Auto Theft Made Easy," showing a 15-year-old boy using a filed key.

The filed keys work like a pick to open car doors and, in the same manner, start the engine, Frank said. A filed key that may not fit one Toyota or Nissan may work in another model, parked elsewhere in a parking lot, so the thieves keep trying until one or more cars are opened

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Nissan, Toyota pay $600 million in U.S. taxes — Page 4

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GM economist puts '88 sales near '87 total

Eads says U.S. muffed chance to slash budget

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors' top economist says the Reagan administration and Congress missed a golden opportunity to reduce the national deficit following the Oct. 19 stock crash, and another opportunity doesn't appear to be on the horizon.

Nevertheless, George Eads, GM's corporate economist, doesn't predict a recession for 1988. However, his scenario calls for slower economic growth in 1988 than in 1987, with motor-vehicle sales off slightly.

Eads is forecasting motor-vehicle sales of 14.9 million units, just below 1987's expected 15.0 million. His breakdown for 1988 is 10.1 million cars and 4.8 million trucks. That compares with 10.1 million cars and 4.9 million trucks expected by GM for 1987.

In his first interview with Automotive News since joining GM in 1986, Eads said the economy could go two ways other than the path GM is predicting.

There is some chance, he said, that the Oct. 19 stock market crash and subsequent insufficient action by the government to contain the deficit could develop into a full-blown recession.

Eads said for that to happen, the financial markets would have to experience more turmoil than they have to date and consumer confidence would have to falter more.

"It is not impossible," Eads said, giving it a 20 to 25 percent chance of occurring.

Another alternative, but a less likely one, would be that the economy shrugs off the crash and economic growth climbs. However, Eads gives that alternative only 10 percent probability.

The economy would have had a better chance had Washington taken some real action on trimming the budget deficit, Eads said.

AUTOMOTIVE NEWS JOE WILSSENS

Eads: upcoming presidential election doesn't hold any promise for solving the deficit problem

"I think we just missed a major opportunity to truly put all parts of the domestic spending, as well as the tax side, on the table and come up with something that would really produce over a three- to five-year period a real reduction of deficit," Eads said.

Eads is particularly well qualified to address the political scene; he served as a member of President Carter's Council of Economic Advisers from June 1979 to January 1981. He helped develop policies on energy, agriculture, industry, international trade and regulatory reform. Before joining GM, Eads had been dean of the School of Public Affairs at the University of Maryland.

He figures that the advertised $30 billion deficit-cutting package will amount to only about half of that in true cuts.

"At one point," Eads said, "I said the real fear (from the stock market crash) was there for maybe five hours, but it may not have been there even that long."

Now, Eads said, it appears the economy will simply "muddle through" as problems mount and solutions become more difficult.

"We missed this one (to cut debt)," he said. "I don't see what would naturally generate the opportunity."

He sees negotiations on budget cutting reopening only under the most dire circumstances, namely a deep recession.

"Seeing how quickly they shrugged off what we got," he said, "I don't like to think of what it would take to reopen that."

Furthermore, Eads doesn't see the upcoming presidential elections holding any promise for solving the deficit problem, particularly because none of the candidates has rushed forth with innovative solutions since the Oct. 19 collapse. He expects presidential candidates to avoid economic issues because there is no way to open up the debate and come out looking good as a candidate.

"In terms of seeing bold new solutions, I don't see it as a time for that bold new solution," Eads said. "That would mean a willingness to tackle tough problems, and that means offending somebody. You can't win an election by offending somebody."

Instead, Eads expects that Republicans will look at the bright side and talk about the expansion, the number of jobs created and how well the economy is doing. If the economy is showing signs of a recession, the Democrats will blame it on Reagan but will avoid saying what they will do about it.

Coachmen to sell vans with Amway

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

LOUISVILLE, Ky. — Coachmen Industries will market van conversions through Amway Corp. dealers and distributors beginning in January.

Its specially designed Starflyte conversion packages will be available on Dodge, Chevrolet, Ford and GMC chassis.

Dealers have an opportunity to earn money on both the chassis and the conversions.

They first negotiate a regular chassis price with the customer. Separately, they will be able to sell conversion packages retailing for $4,860, without options, for a $150 profit.

Coachmen will wholesale Starflyte conversions to dealers, and Coachmen will pay Amway distributors their agreed-upon sales commission.

Coachmen will get its van chassis from Amway's Auto Dealer Network, a group of 1,500 car dealers in 26 states, and through some of its own participating dealers. It has 200 dealers selling its own Coachmen and Consolidated Leisure conversions.

In areas where neither Amway nor Coachmen have dealers, Amway's National Fleet Services Inc., will find local ones to meet demand, William Snook, president of Coachmen Vans said.

National Fleet administers the Amway Auto Network. It is the tie between Amway's auto dealers and its 750,000 distributors best known for selling cleaning and household products.

Snook doesn't feel the Amway conversions will compete with Coachmen's other conversions because of the way they are priced, equipped and styled.

He stressed that Coachmen was selling conversion packages — not vans.

"Everything is going through franchised car dealers. We, being a bailment pool company, have to be very careful not to infringe on any areas of our bailment pool agreements," he said.

Bailment pool companies are allowed to release converted vans only to dealers that hold a franchise for that chassis. That means Coachmen cannot, for example, sell a converted Chevy van to a GMC or Ford dealer.

Coachmen was one of about five or six converters to bid on the contract which, Snook feels, will substantially increase its 2,000-unit-a-year van conversion business.

"We're very excited about it. When you get 750,000 people pitching your product, there have to be some very positive results," Snook said.

He conceded, though, that high shipping costs may prohibit Coachmen from being price-competitive in in Western and Southwest markets. Its van plants are concentrated in the Midwest.

Coachmen has West Coast plants it could use to convert vans, though, if there's enough volume increase, Snook said.

NHTSA lists models for 35-mph crashes

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — NHTSA has listed the 34 new vehicles it will crash-test as part of its New Car Assessment Program for the 1988 model year.

The safety agency said 24 passenger cars, four vans, five pickup trucks and one multipurpose vehicle will be crashed at 35 mph into a fixed barrier. The results will be announced beginning in early 1988.

Four-door cars to be tested are: Acura Legend, Chevrolet Corsica, Chrysler New Yorker, Dodge Colt wagon, Ford Tempo, Mazda 929, Nissan Maxima, Nissan Sentra wagon, Oldsmobile Delta 88, Peugeot 505, Renault Medallion and Volvo 740-GLE.

Two-door models: Buick Regal, Chevrolet Beretta, Daihatsu Charade, Ford Festiva, Honda Civic hatchback, Mazda RX-7, Nissan Pulsar, Pontiac LeMans, Saab 900-S hatchback, Toyota Corolla, Toyota Tercel and Volkswagen Fox.

Pickups to be tested: Chevrolet 1500 CK, Dodge D-150, Ford F-150, Isuzu Spacecab and Nissan. Vans to be crashed: Chevrolet Astro, Chevrolet G20, Nissan and VW Vanagon. A Mitsubishi Montero multipurpose vehicle also will be tested.

A crash test at 35 mph is 5 mph faster than the speed prescribed for compliance with several existing federal motor-vehicle safety standards, including the standard for "occupant crash protection." The crash tests are designed to indicate, for vehicles within the same size and weight class, relative levels of occupant protection and safety performance.

Instrumented dummies are used in the tests. The head, chest and upper legs of the dummies are equipped with instruments that monitor impact forces. Each dummy is protected by a vehicle's standard occupant protection equipment, either manual safety belts or automatic belts and/or air bags.

NHTSA said it "will continue to examine several aspects of the program, particularly the relationship of these test results to real-world crashes and injuries, in order to improve crashworthiness information provided to consumers."

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CAR TOYS: *Gifts few will find when Santa leaves*

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

And now, for the self-indulging auto votary to whom money is just a way of keeping score, comes a license-plate frame in 24-carat gold, priced at a mere $20,000.

Or how about gorging one's self on a $167,000 AMG 300E "Hammer." To order, just dial an 800-number or pop a check into the corner mailbox.

If that's stretching your budget a tad, you can settle for a replica of a Ferrari Testarossa in flawless crystal for the pauperish sum of $1,499.95.

All this and more is available by mail order from the newest edition of the Beverly Hills Motoring Accessories winter catalog, out just in time for the holidays.

"I don't know if anyone ever ordered the AMG 'Hammer' by mail, but I suppose they could," a company spokesman said.

Can't think of the ideal Christmas gift for the pretentious BMW owner in your life? Perhaps a BMW cellular armrest fitting almost all 3-, 5-, 6- and 7-series models with standard seats. Cost? A bargain at only $599.95 in leather.

For those afternoon respites of Perrier and Brie during leisurely countryside motoring excursions, Mercedes-Benz owners can equip their coupes and sedans with a refrigerator-freezer for $1,995.

The security-conscious can gain peace of mind with a "Blitz-Safe" for $199.95. It recedes the stereo into the dash, leaving only a locking flap and the appearance that the car has no stereo.

Says the manufacturer, "Even if theft is attempted, it would take an hour and a half for a thief to remove your stereo."

Other trifles include a car safe called "the Vault" with bolts for $99.95; and an electric convertible hardtop hoist for the garage at $499.

$20,000 license-plate frame is 24-carat gold

SALES

DOMESTIC CAR SALES

	Nov. 21-30 1987	Same Period 1986	Nov. Month 1987	Same Month 1986	Jan. 1 to Nov. 30 1987	Same Period 1986
Alliance	891	1,427	1,695	3,427	23,640	61,689
Eagle	155	193	472	433	4,039	6,811
Total Eagle	1,046	1,620	2,167	3,860	27,688	68,500
Horizon	987	2,512	2,916	8,087	44,493	102,199
Sundance	1,697	1,465	5,127	4,743	70,669	14,250
Turismo	132	389	336	1,242	16,761	43,261
Reliant	2,928	3,340	9,749	7,688	85,151	117,316
Caravelle	766	834	2,031	2,455	33,189	35,873
Gran Fury	255	336	641	1,016	7,312	16,074
Total Plymouth	6,765	8,876	20,800	25,231	286,694	328,973
Laser	0	219	0	653	4,306	26,935
LeBaron K	929	1,139	3,236	3,773	51,914	88,887
LeBaron J	3,128	0	8,796	0	78,798	0
LeBaron GTS	810	667	1,784	2,706	28,746	63,113
Fifth Avenue	1,541	1,711	5,110	5,500	52,635	100,326
New Yorker C	1,098	0	2,721	0	4,236	0
New Yorker E	741	977	2,182	3,140	48,107	50,623
Total Chrysler	8,235	4,913	23,829	15,790	268,748	332,580
Omni	714	2,042	2,213	7,011	35,197	89,773
Shadow	1,603	1,870	5,147	5,576	71,108	14,276
Charger	65	482	243	1,473	17,813	49,256
Daytona	1,372	173	3,678	568	36,957	34,828
Aries	2,732	3,154	8,945	9,204	89,316	95,933
Lancer	516	520	1,077	1,909	21,012	45,594
Diplomat	314	487	1,145	1,861	11,776	32,794
Dynasty	308	0	812	0	1,313	0
Dodge 600	703	781	2,621	3,197	33,190	58,600
Total Dodge	8,326	9,289	25,881	30,819	317,684	420,052
CHRYSLER MOTORS	24,372	24,700	72,677	75,690	860,814	1,150,105
Escort	10,040	9,783	28,737	26,404	364,343	366,026
Mustang	4,210	2,649	12,144	7,325	161,234	156,004
Tempo	6,519	5,773	18,172	17,239	199,392	240,475
Taurus	10,717	9,517	26,195	29,782	322,326	220,520
Thunderbird	3,413	2,434	9,312	7,357	122,853	129,992
LTD	0	0	0	0	0	23,567
Crown Victoria	2,951	3,481	8,763	10,604	109,891	120,675
Total Ford Div.	37,850	33,639	103,323	98,711	1,280,041	1,257,279
Lynx	1,769	1,288	4,963	3,467	64,178	60,345
Topaz	1,513	1,556	4,625	5,377	58,282	61,416
Sable	3,489	2,887	8,348	9,303	95,318	87,318
Cougar	2,821	653	7,226	1,765	103,474	106,962
Capri	0	65	0	234	0	11,512
Marquis	0	0	0	0	2,510	10,180
Grand Marquis	3,057	3,259	8,890	10,125	105,720	108,879
Total Mercury	12,649	9,708	34,072	30,271	429,482	446,612
Continental	45	593	161	1,932	10,682	18,174
Lincoln	4,020	3,904	10,694	12,067	115,129	115,908
Mark VII	810	758	2,443	2,444	25,252	20,650
Total Lincoln	4,875	5,255	13,298	16,443	151,063	154,732
Total L-M Division	17,524	14,963	47,370	46,714	580,545	601,344
FORD MOTOR CO.	55,374	48,602	150,693	145,425	1,860,586	1,858,623
Skyhawk	1,018	876	2,894	3,134	35,902	68,260
Somerset Regal	1,232	1,356	3,277	4,041	63,165	105,454
Century	2,696	3,748	8,434	11,509	138,776	223,826
Regal	2,671	1,016	6,985	2,849	53,882	74,015
LeSabre	2,818	3,360	7,947	10,702	130,347	117,658
Electra	2,495	2,402	5,799	6,686	71,987	101,030
Riviera	163	721	677	1,654	15,392	21,511
Total Buick	13,093	13,479	36,013	40,575	509,451	714,276
Cimarron	200	361	636	1,095	11,788	21,904
Allante	128	0	348	0	2,241	0
Seville	697	906	1,900	2,151	19,456	19,214
Cadillac	4,927	5,067	14,001	15,675	189,007	215,265
Eldorado	768	488	2,146	1,417	19,007	22,483
Total Cadillac	6,720	6,822	19,031	20,338	241,499	278,866
Chevette	30	2,538	97	7,381	16,859	65,904
Nova	1,280	1,376	4,008	5,046	131,277	164,367
Cavalier	6,653	4,613	20,876	16,968	276,333	333,876
Citation	0	0	0	0	0	1,033
Camaro	1,820	1,864	5,610	6,941	110,410	155,069
Celebrity	6,494	6,623	19,123	27,803	283,947	372,694
Corsica/Beretta	4,798	246	13,308	3,091	195,415	5,628
Monte Carlo	1,418	1,699	4,611	5,477	59,230	104,595
Chevrolet	3,572	4,011	11,159	14,448	162,682	208,481
Corvette	681	638	2,101	1,983	23,208	30,689
Total Chevrolet	26,746	23,608	80,893	89,138	1,259,361	1,442,336
Firenza	370	500	1,006	1,495	16,057	32,613
Calais	2,059	2,103	5,814	6,659	95,461	108,753
Cutlass Ciera	4,727	4,977	14,008	18,292	228,582	306,751
Cutlass Supreme	1,566	2,565	5,026	8,709	88,492	182,465
Olds 88	3,510	3,987	9,858	13,437	158,033	245,552
Olds 98	1,586	1,949	4,786	6,510	64,453	101,403
Toronado	382	302	1,228	1,451	15,585	15,733
Total Oldsmobile	14,200	16,383	41,726	56,553	666,663	993,270
Fiero	698	877	1,937	2,897	39,857	64,306
1000	16	276	61	836	4,781	17,258
Sunbird	1,632	1,548	5,264	4,702	74,161	97,885
Firebird	1,409	1,377	4,023	4,636	69,083	87,767
Grand Am	5,071	4,711	15,119	15,787	197,880	185,318
6000	3,464	2,986	10,315	11,452	112,465	184,783
Gr. Prix/Bonn. G.	576	532	1,478	1,882	13,907	39,400
Bonneville H	3,271	0	8,564	0	92,936	35,650
Paris./Safari	220	1,882	686	6,718	9,497	65,780
Total Pontiac	16,359	14,189	47,447	48,912	614,567	778,147
GENERAL MOTORS	77,118	74,481	225,110	255,516	3,291,541	4,206,895
HONDA	11,812	15,674	24,913	30,308	287,426	210,316
Civic	2,356	3,741	4,252	7,236	77,416	16,950
Accord	9,456	11,933	20,661	23,072	210,010	193,366
MAZDA	297	0	526	0	686	0
NISSAN	1,678	2,428	4,906	6,954	114,213	44,186
TOYOTA	1,466	1,360	3,627	2,275	37,773	3,102
VOLKSWAGEN	1,729	2,480	3,514	4,906	57,547	68,354
DOMESTIC TOTAL	173,846	169,635	485,988	521,074	6,530,586	7,541,589
IMPORT TOTAL	0	0	246,064	261,315	2,856,103	2,915,843
INDUSTRY TOTAL	0	0	732,052	782,389	9,386,689	10,457,423

SALES

FROM PAGE 1

cent and helped sales of U.S.-built cars gain 2.48 percent in the final 10-day period over last year's comparable 10 days.

Imported car sales fell 5.83 percent for the month with the decline especially apparent in the luxury bracket. But the import market looked brighter in another light: November 1986's import total set a record for the month, helped by the pending reform of the U.S. tax laws. Many European importers expected to be down this year.

Analysts looked for improvement but were surprised by the strength of November's final 10 days. Some admitted they may have lowered forecasts too much in light of the stock market omen.

"Consumers are obviously not in the grips of panic," said Ann Knight, auto analyst with Paine-Webber Inc., New York. "Sales are where they would have been without an Oct. 19."

David Healy, an analyst at Drexel Burnham Lambert, said "I think the stock market crash isn't impacting car sales. This is the fourth stronger 10-day sales period."

Jack Kirnan, analyst, Kidder, Peabody and Co., said he was "dumbfounded" because all economic factors — income growth, interest rates, debt, consumer confidence levels — "were on the bearish side." He suggested that the 2.5 percent increase in employment levels over the last 10 months may have helped. "We got a surge in manufacturing employment and these individuals can buy cars," because they have higher incomes, he said.

Where the U.S. market was, Nov. 1987

	Total Sales	Pct. of Total
SUBCOMPACT	57,495	7.85
COMPACT	141,940	19.39
INTERMEDIATE	184,104	25.15
STANDARD	98,043	13.39
SPECIALITY	4,386	0.60
IMPORT	246,084	33.62
TOTAL	732,052	100.00

U.S. CAR SALES BY MARKETING UNITS

	Nov. 1987	Nov. 1986	11 Mos. 1987	11 Mos. 1986
Alfa Romeo	372	672	5,888	7,627
American Honda	80,994	74,907	656,179	618,998
BMW	6,291	7,035	81,095	86,287
Buick	36,013	40,575	509,451	714,276
Cadillac	19,031	20,338	241,499	278,866
Chevrolet	92,524	97,871	1,384,956	1,591,281
Chrysler	24,445	16,435	279,366	334,149
Dodge	29,339	35,276	371,620	482,887
Eagle	3,558	3,958	39,832	72,264
Ford	106,547	98,711	1,303,079	1,257,279
Hyundai	18,074	15,925	244,265	146,470
Isuzu	2,722	5,260	35,797	34,248
Jaguar	1,761	1,829	20,071	21,707
Lincoln	13,298	16,443	151,063	154,732
Maserati	73	84	842	1,211
Mazda	19,100	18,134	188,391	194,417
Mercedes	6,748	8,390	82,156	85,622
Mercury	34,917	30,861	443,147	460,169
Mitsubishi	4,683	4,304	62,769	43,998
Nissan	36,235	39,140	494,025	499,137
Oldsmobile	41,726	56,553	666,663	993,270
Peugeot	870	1,562	8,223	13,176
Plymouth	23,984	29,473	315,431	387,513
Pontiac	50,111	48,912	647,221	778,147
Porsche	1,557	2,168	22,351	26,924
Saab	2,965	3,787	42,002	44,504
Sterling	1,045	0	13,260	0
Subaru	13,443	11,819	160,540	163,986
Toyota	54,881	62,662	548,994	565,657
Volvo	5,493	7,873	102,529	111,127
VWoA	15,048	17,209	216,012	255,834
Yugo	3,204	4,023	45,972	31,660
TOTAL	732,052	782,389	9,386,689	10,457,423

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA combines imports and domestics and Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur XR4TI and Merkur Scorpio. Ford includes Festiva. Chrysler includes Conquest. Pontiac includes Lemans.

IMPORTED CAR SALES

	Nov. 1987	Nov. 1986	11 Mos. 1987	11 Mos. 1986
Acura	8,740	7,152	99,031	43,589
Alfa Romeo	372	872	5,888	7,627
Audi	2,305	3,596	39,486	56,007
BMW	6,291	7,035	81,095	86,287
Chevrolet	11,631	8,733	125,595	148,945
Chrysler	616	655	10,618	1,569
Dodge	3,458	4,457	53,936	62,835
Ford	3,224	0	23,038	0
Eagle	1,391	98	12,144	3,764
Honda	27,341	37,447	271,722	365,093
Hyundai	18,074	15,925	244,265	146,470
Isuzu	2,722	5,260	35,797	34,248
Jaguar	1,761	1,829	20,071	21,707
Maserati	73	84	842	1,211
Mazda	18,572	18,134	187,705	194,417
Mercedes-Benz	6,748	8,390	82,156	85,622
Mercury	845	590	13,665	13,557
Mitsubishi	4,683	4,304	62,769	43,998
Nissan	31,329	32,186	379,612	454,952
Peugeot	870	1,562	8,223	13,176
Plymouth	3,184	4,242	48,737	58,540
Pontiac	2,664	0	32,654	0
Porsche	1,557	2,168	22,351	26,924
Saab	2,965	3,787	42,002	44,504
Sterling	1,045	0	13,260	0
Subaru	13,443	11,819	160,540	163,986
Toyota	51,254	60,387	511,221	562,555
Volkswagen	9,229	8,707	114,979	131,473
Volvo	5,493	7,873	102,529	111,127
Yugo	3,204	4,023	45,972	31,660
TOTAL	246,084	261,315	2,856,103	2,915,843

Import and domestic car sales in November of 732,052 dropped 6.43 percent compared to 782,389 in November 1986. Two years ago, the November count was 763,304.

Of the Big 3 automakers, Ford delivered 3.62 percent more cars; General Motors sold 11.90 percent fewer cars; and Chrysler Motors' sales slipped 3.98 percent below November 1986.

Import-car sales declined 5.83 percent for the month to 246,084 from 261,315 last year. Imports accounted for 33.62 percent of the November U.S. market this year. Last November, imports took a 33.39 percent share.

The industry selling rate in November this year averaged 30,502 cars a day this year compared with 32,560 in 1986. There were 24 selling days in both Novembers.

In terms of overall market share for November, GM's domestic cars took 30.74 percent; Ford's domestics took 20.59 percent; and Chrysler's domestics (including Jeep/Eagle Division), 9.93 percent.

U.S.-built car share for Honda was 3.40 percent; Nissan, 0.67 percent; Toyota, 0.50 percent; Volkswagen, 0.48 percent; and recent entrant Mazda captured 0.07 percent of the market.

The eight domestic automakers gained real momentum in the final 10-day period of November this year. Car companies started November with a 10.41 percent decline in the first 10 days. Sales fell 12.03 percent in the mid-November period, although there were more deliveries and a stronger daily selling rate in that period than in the first one.

Domestic carmakers finished the month with a flourish, delivering 2.48 percent more cars in the final 10 days than a year ago.

"Incentives have helped us," said L.R. Windecker, analyst at Ford, which had the strongest gain among all eight domestics in the final period. "We are in a relatively good position."

Cougar sales surged 300 percent for the month and Thunderbird sales moved up 26.57 percent. Both models were in short supply a year ago. Incentives helped both models, said Joe Glowacki, vice president and general manager of Rice and Holman Ford, Mt. Laurel, N.J.

GM sales were off 11.90 percent for the month in spite of an improvement of 3.54 percent during the Nov. 21-30 sales period. Corsica/Beretta continued to outperform most other GM makes.

Although the luxury import market seems to be lagging, Cadillac reported Allante deliveries increased and Eldorado sales moved up 51.4 percent over the previous November.

Chrysler Motors sales ebbed 3.98 percent below last November. But sales of the reskinned Dodge Daytona jumped 547.54 percent in the month, perhaps helped by flashy new TV spot and print advertising and a lower price.

Although import sales — especially among the higher-end makes — dropped in November, the drop generally was not as substantial as in October.

Luxury import-car makers reported the following declines compared with November 1986: Alfa Romeo, 57.34 percent lower; Peugeot, 44.30 percent; Porsche, 28.18 percent; Saab, 21.70 percent; and Mercedes-Benz, 19.57 percent.

Sales of Honda's high-line Acura rose 22.20 percent in November and Hyundai sales were up 13.49 percent in November. Deliveries picked up 5.99 percent for Volkswagen imports, and Mazda import deliveries gained 2.42 percent.

AUCTION BRIEFS

GE Credit Auto Auction has purchased the Ohio Auto Auction, bringing to 17 the number of auctions owned by the financial service company.

The purchase price for the auction was not disclosed. It was purchased from its founder, Henry Stanley Jr. The auction has four selling lanes and recently expanded its reconditioning center to 25,000 square feet.

Howard H. Price, vice president — operations of GE Credit Auto Auctions, has been assigned territorial management responsibility for the auction. Reporting to Price will be Whitey Huff, who will continue as general manager of the auction. Bill Humphrey stays as fleet and lease manager.

David Frazier, formerly vice president — finance for GE Credit Auto Auctions, will be vice president of sales and operations.

A New Year's eve car preview party will be held at the Miami Beach Convention Center, Miami Beach, Fla., prior to a collector-car auction and show planned for Jan. 1-3 at the center.

The Miami sale will include a 1927 Bugatti Type 57 featuring a body by Graber. Other top-dollar cars include a 1932 Duesenberg J-441 Derham dual windshield phaeton and a 1931 Cadillac Fleetwood roadster.

Cars of the stars include a 1956 Cadillac Sedan DeVille originally owned by Elvis Presley. Singer Barry Gibb has consigned a 1955 Buick convertible, a 1965 Mustang GT convertible and a 1955 Cadillac Series 62 convertible.

Indiana-based **Kruse International** is the host for the auction.

AUCTION DATES

American Motors

Dec. 8 — Statesville Auto Auction, Statesville, N.C.

Dec. 9 — Kansas City Auto Auction, Kansas City, Mo., and Columbus Fair Auto Auction, Columbus, Ohio

Dec. 10 — Corry Auto Auction, Corry, Pa.

Chrysler Motors

Dec. 8 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Golden Gate Auto Auction, Fremont, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

Dec. 9 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and Denver Auto Auction, Aurora, Colo.

Dec. 10 — Northway Exchange, Clifton Park, N.Y., and Indianapolis Auto Auction, Indianapolis

Dec. 15 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; NuCarPrep System, Santa Fe Springs, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Dec. 16 — A.D.E. of Birmingham, Birmingham, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; South Seattle Auto Auction, Kent, Wash.; and Southern Auto Auction, Warehouse Point, Conn.

Dec. 17 — Clanton's Auto Auction, Darlington, S.C., and Fredricksburg Auto Auction, Fredericksburg, Va.

Ford Motor Co.

Dec. 9 — Indianapolis Auto Auction, Indianapolis, and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Dec. 10 — Baltimore-Washington Auto Exchange, Baltimore; Dallas Auto Auction, Grand Prairie, Texas; Denver Auto Auction, Aurora, Colo.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Phoenix, Ariz.; Bay Cities Auto Auction Inc., Hayward, Calif.; and Skyline Auto Exchange, Fairfield, N.J.

Dec. 11 — Interstate Auto Auction, Mercer, Pa.

Dec. 15 — South Seattle Auto Auction, Kent, Wash., and Harrisonburg Auto Auction, Harrisonburg, Va.

Dec. 16 — Atlanta Auto Auction, Red Oak, Ga.; Columbus Fair Auto Auction, Obetz, Ohio; Concord Auto Auction, Acton, Mass.; Clanton's Auto Auction, Darlington, S.C.; Lakeland Auto Auction, Lakeland, Fla.; and Southern California Auto Auction, Fontana, Calif.

General Motors

Dec. 8 — Florida Auto Auction of Orlando, Ocoee, Fla.

Dec. 9 — Indianapolis Auto Auction, Indianapolis; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Dec. 10 — St. Louis Auto Auction, Bridgeton, Mo., and Utah Auto Auction, West Bountiful, Utah

Dec. 16 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

December to date	$5,933
Month ago	$5,981
Year ago	$5,138

Model Breakdown
Auction Averages

	DEC 1987	NOV 1987	OCT 1987
1987	$10,502	$10,564	$11,220
1986	$8,422	$8,454	$8,624
1985	$7,184	$7,199	$7,257
1984	$5,629	$5,640	$5,711
1983	$4,830	$4,844	$4,897
1982	$3,483	$3,504	$3,549
1981	$2,533	$2,542	$2,549
1980	$1,988	$1,996	$2,022
Overall Average	$5,933	$5,951	$6,001

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Bank seizes dealer funds from Canadian auction sale

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

OSHAWA, Ontario — More than 150 Canadian used-car dealers are out a total of $1.5 million after Lloyd's Bank in Whitby seized funds from the Oshawa Auto Auction's Oct. 21 car sale.

Money from the sale of automobiles was being held in trust at Lloyd's Bank. The Oshawa Auto Auction is Ontario's second-largest auto auction, selling roughly 750 vehicles per week.

According to Bob Beattie, director of the Ontario Used Car Dealers Association, auction owner Frank Wills is considering two offers for the business from private individuals.

Dealers had considered filing a lawsuit against the bank but are now waiting the outcome of the sale that is expected to result in the return of their money.

Beattie said legal action now could kill the offer. But he warned that if the sale falls through, the dealers are ready to pursue legal action.

"The bank knows its actions were wrong," said Beattie. "They knew the money was in trust."

He said the bank seized the money because there "were some financial difficulties between it and the auction."

As an agent for dealers, checks from buyers are normally deposited in trust in the auction's account at the bank.

After liens and titles are researched, the auction issues a check to the seller, usually within two days of the sale.

According to Beattie, dealers could have lost up to $2.5 million. The bank wanted to seize the money from the Oct. 28 regular sale but the auction didn't deposit the money after hearing about the seizure of its other funds.

Beattie said dealers canceled nearly all of their checks to the auction and then settled accounts among themselves.

"It was a real show of cooperation," he said.

Paul Feldman, lawyer for the auction, declined to comment on the seizure of the money by the bank. Bank officials were unavailable for comment.

The bank also returned checks marked "NSF" (non-sufficient funds) that had been issued by the auction to dealers, said Beattie.

Lloyd's Bank had sought appointment of a receiver for the auction but its request was denied by the court.

A "monitor" was named instead. Beattie explained that a monitor studies a company's liabilities and assets, then reports its findings to the court.

As of late last week, the bank again had asked the court to appoint a receiver for the auction.

But if Wills reaches an agreement to sell the auction, a receiver will not be necessary, explained Beattie.

The auction holds a sale every Wednesday but has been closed since the funds were seized.